PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 469 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2007–2008

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10 December 2007

THE
PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 469**

THIRD VOLUME OF SESSION 2007-2008

House of Commons

Monday 10 December 2007

The House met at half-past Two o'clock

PRAYERS

[Mr. Speaker *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Lottery Funding

1. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): How much lottery funding was spent on sport in each of the past three years; and if he will make a statement. [172197]

The Secretary of State for Culture, Media and Sport (James Purnell): The five sports lottery distributors together drew down about £242 million from the national lottery distribution fund for expenditure in 2004-05, about £264 million in 2005-06 and, subject to audit, about £209 million in 2006-07.

While we are on the subject of sport, I am sure that the whole House will join me in congratulating British boxing on a fantastic weekend, and Amir Khan and Joe Calzaghe in particular on their victories. I pay especial tribute to Ricky Hatton, who throughout his 38 victories has been a great inspiration to my constituents in Hattersley and Hyde and who, in the manner and dignity of his defeat, will continue to be such.

Mr. Evennett: I add my congratulations to our sporting heroes, whom the Minister has highlighted. However, is he aware that only 13.5 per cent. of the UK population are members of sports clubs? That compares unfavourably with other EU countries, such as Germany and France, where 33 per cent. and 26 per cent. of the population respectively are members of sports clubs. Is that because the Government are not giving enough from the lottery funds to our sports clubs, to encourage people to participate in sport more?

James Purnell: In fact, we have increased the amount of money going from the Exchequer to sport by seven times since 1997. We are completely committed to building a world-class community sports infrastructure, which is why we have asked Sport England to conduct a review in order to achieve exactly that.

Joan Walley (Stoke-on-Trent, North) (Lab): May I welcome the money that the Government are putting into sport through the lottery? Will my right hon. Friend take a particular interest in the need for his Department to invest in sport in Stoke-on-Trent? We have an admirable gymnastics club, albeit with insufficient coaches, and we have great hopes that through the regeneration agenda and the building schools for the future programme we can invest more in sport. Will he look to ensure that we have the right—

Mr. Speaker: Order. There is supposed to be only one supplementary.

James Purnell: I quite agree with my hon. Friend that we should increase the amount of money going into sport. The amount going in over the next three years will be higher than the amount going in this year, which is a great opportunity for Stoke to make its claim for increased investment in sport. I know that my hon. Friend has been a strong campaigner for that and, given her question. I am sure that she will welcome the emphasis that we are putting on having a world-class network of clubs and coaches.

Mr. Don Foster (Bath) (LD): The Minister knows that the money for sport from the lottery has gone down by about a third in recent years. Now the Government are taking away more than £500 million to fund the Olympic black hole. The Minister will have received an authoritative and detailed report shewing how, by changing the taxation regime for the national lottery, additional money can go to both the Treasury and community sports, to deliver the Olympic legacy that we all want. Has he seen the report, does he accept it and what is he doing about it?

James Purnell: I take it that the hon. Gentleman is referring to the report into a gross profit tax for the lottery. I know that he is trying to supplement the Liberal Democrats' money tree, but he knows well that even if that were possible, it would yield only a fifth of what he identifies as the black hole—in fact, the contribution from the lottery. It will be interesting to see whether the Liberal Democrats support that, and if not, where they would get the funding from. Given that the amount involved is only a fifth, that leaves nearly £500 million that he would have to find from somewhere else.

I hope that this is not the hon. Gentleman's last Question Time as sports spokesman—there is an upcoming reshuffle, in the light of the leadership contest. I say sincerely to him that he is a credit to Opposition spokesmen. He is always a master of detail, constructive when necessary and tough when he feels he needs to be. I hope that we see him again.

Mr. Bob Laxton (Derby, North) (Lab): Where will funding for activities such as cycling and walking come from in future? As a result of the redefinition of sport, which I understand excludes cycling and walking, there will be a shortfall in funding. Is that money likely to come from Departments such as the Department of Health, rather than the Department for Culture, Media and Sport?

James Purnell: No, we are committed to the goal that we set out in the Olympic bid of raising participation by 2 million. Sport England's role in that is to raise participation in sport. One of our promises in the Olympic bid documents was to create a world-class infrastructure for sport in this country. We are well on the way to doing that in school sport; we have gone from 20 per cent. of young people doing two hours to more than 80 per cent., and we are now well on the way to five hours. On elite sport, the Australians are now copying us, rather than the other way around. Our priority is to deliver a world-class community sports infrastructure, to match that of school sport and elite sport.

Pete Wishart (Perth and North Perthshire) (SNP): Although lottery sports funding has been quite consistent over the past three years, we are set to lose £13.1 million from SportScotland to pay for the London games and London's redevelopment. Now that we are to have the 2014 games in Glasgow, will the Secretary of State acknowledge that there is a case for Scottish lottery funding to remain in Scotland rather than diverting it to London to fund London redevelopment?

James Purnell: The hon. Gentleman cannot have it both ways. He cannot describe the Olympics as the London games and then say that the Glasgow games are national games. There is an internal contradiction in his allegation. I met his colleague, the Minister for the arts, recently to discuss the lottery, and I would be happy to meet his colleague who leads on sport to discuss it. Indeed, we are convening a group to consider the issue. The Scottish National party cannot criticise the London games while championing the Glasgow games as a national event.

Mr. Jim Devine (Livingston) (Lab): Will my right hon. Friend join me in congratulating Anne Reid and her Into Work team in my constituency, who have recently received a cheque for nearly £500,000 from the Big Lottery Fund? Part of their rehabilitation strategy is to encourage clients to participate in sports. Let us not be undermined by the arguments from the Opposition, who continually want to talk down Scotland. Substantial funding is still coming into Scotland from the Big Lottery Fund.

James Purnell: That is a very good point. I believe that the nationalists' policy is to have a "Scot Lot". Anyone who knows anything about lotteries will know that that would bring in less money, because it is the size of the jackpot that determines how many people play. That would be another cut as a result of their proposals. My hon. Friend is quite right to say that the Big Lottery Fund is investing in Scotland and in sport. In fact, it invested £238 million in 2005-06, and then £207 million, so the Big Lottery Fund is contributing to sport, as are the sports lottery funds.

Licensing (Town Centres)

2. **Sir Nicholas Winterton** (Macclesfield) (Con): What representations he has received on the effect of the provisions of the Licensing Act 2003 on town centres. [172198]

5. **Mr. Rob Wilson** (Reading, East) (Con): What assessment he has made of the effect of the Licensing Act 2003 on town centres; and if he will make a statement. [172201]

The Secretary of State for Culture, Media and Sport (James Purnell): We have received a number of views from local authorities, police, local residents and trade about the impact of the new legislation on town centres. They will inform our evaluation of the 2003 Act, which we expect to complete early in the new year. The report of the 10 scrutiny councils in July 2006 found that the Act had improved partnership working between enforcement agencies in tackling irresponsible retailers. We recently asked the councils for an update on their assessment, and that will form part of our evaluation.

Sir Nicholas Winterton: Does the Minister not accept that the Licensing Act has led to an increase in problems resulting from alcohol abuse in many town and city centres—sadly, even in Macclesfield? Recent figures show that 98 per cent. of all applications for licences were granted, and that just 0.4 per cent. of licences have been reviewed. Why is there a presumption in favour of 24-hour licensing for supermarkets, which are the source of so many of the problems?

James Purnell: As the hon. Gentleman well knows, there is no such presumption. Indeed, far from thinking that the Licensing Act has led to these problems, I agree with his leader, who said recently:

> "I think licensing reform is a good idea. I have always said so."

It will be interesting to hear whether Opposition Members agree with their leader on that. I also disagree with the hon. Gentleman that the Act has created these problems. I am sure that, if I had visited Macclesfield with him before the Act came into force, we would have seen the same issues. The truth is that the Act has introduced much tougher powers to deal with them. Indeed, crime in the night economy is down by 5 per cent. overall across the country. Serious wounding is down by 5 per cent. Of course, it is too early to say whether that is a result of the Act; we shall need to examine that in our evaluation and again over time. So far, however, the evidence does not show that the Act has led to an increase in crime—indeed, quite the reverse.

Mr. Rob Wilson: I congratulate my local police and my local Pubwatch scheme in Reading on taking a proactive role in mitigating the worst effects of the Licensing Act. Despite their efforts, however, violent assaults have gone up by 13 per cent. in Reading town centre, and the police are having to use scarce resources to support town centre activities. The intention of the legislation was to create a café culture, but has it not simply added to the existing yob culture?

James Purnell: I note that the hon. Gentleman is disagreeing with his leader, which will not help him to progress to the Front Bench. He has cited his local police. I am happy to quote the police in the constituency of the hon. Member for Bexleyheath and Crayford (Mr. Evennett), who asked the first question today. When talking recently about closing down a branch of Tesco for selling alcohol to under-age purchasers—which would not have been possible under previous legislation—the chief superintendent of the police force in Bexley said:

> "This is another in a long line of successes for the collaborative working that has been such a key feature of the work here in Bexley, especially"—

the hon. Member for Reading, East (Mr. Wilson) will like this bit—

> "since November 2005, when the new licensing regime came into effect".

There we have the police saying that the Act has given them more powers to deal with the problems. That is why serious wounding is down by 5 per cent. in the night-time economy.

Natascha Engel (North-East Derbyshire) (Lab): Has my right hon. Friend's Department monitored the impact of the legislation on under-18 drinking and, if so, what have been the results?

James Purnell: The results are that it has fallen significantly. Failed test purchases have fallen from about 50 per cent. of cases to about 15 per cent. That is clearly still too much and we will be continuing our efforts, but again the Licensing Act has helped to create a much better collaborative approach between different agencies, which has meant that there has been a fall, although we want to continue to make further progress. It is clearly unacceptable for any licensed premises to be selling to under-age people.

Mr. Kevan Jones (North Durham) (Lab): There is much concentration on 24-hour drinking in relation to the 2003 Act, but that Act also introduced new powers for clamping down on under-age drinking and for restricting licences in town centres. Has the Department carried out any analysis of why councils or police authorities are not using the new powers that have been given to them?

James Purnell: The evidence that we have is that most are using the powers. Indeed, I was out with Chris Allison—*[Interruption.]*—who speaks on this matter in Westminster, in the constituency of the hon. Member for Cities of London and Westminster (Mr. Field), who is intervening from a sedentary position. Chris Allison was saying what a great job the council and the local police were doing in using the powers given to them and that that has led to a real improvement in partnership working. It is a myth that the Act has led to 24-hour drinking. In fact, new figures show only modest increases in actual opening hours—on average, 20 minutes extra—and the number of 24-hour premises is less than 0.5 per cent. of the overall total.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): At the time of the passage of the Licensing Act, the Government dismissed warnings that one of its consequences would be to damage the performance of live music in town centres and elsewhere. The Secretary of State will be aware that Live Music Forum has concluded that the Act is having that effect, so will he now consider making changes to it, as recommended by the forum, to ensure that live music continues to flourish throughout Britain?

James Purnell: The hon. Gentleman was—along with the Leader of the Opposition—a great supporter and advocate of the Licensing Act. We welcome his support, although I notice that we have still not heard from the Opposition whether they are disowning their leader or not. The hon. Gentleman is slightly exaggerating the consequences of the Act that the Live Music Forum found; it said that they had been broadly neutral. Clearly, we would like them to be positive, which is why we are looking positively at the forum's recommendations with a view to coming forward with proposals shortly. We have also asked Feargal Sharkey to lead on the identification of a network of rehearsal spaces to do exactly that.

Mr. Eric Illsley (Barnsley, Central) (Lab): Is my right hon. Friend aware that this matter was the topical debate only last Thursday? Anybody reading the *Hansard* of that debate will realise that one of the biggest problems in our drinking culture today is, as the hon. Member for Macclesfield (Sir Nicholas Winterton) pointed out, alcohol that is sold in our supermarkets at much less than the wholesale cost. As seen on TV adverts, bottles of spirits are going for £10 a time. Will my right hon. Friend look at the problem of young people—to use the new phrase—"pre-loading" at supermarkets before they go out to the pubs?

James Purnell: My hon. Friend is absolutely right; there is a problem in this country of a minority of people drinking too much. The Government are conducting a review of prices and promotions and we will report on it next year. It is clear that there is no single magic bullet that will solve the problem. The Licensing Act can help by providing tougher measures to deal with irresponsible retailers and pubs and clubs, but we need to act together across the board in tackling the health effects, looking at price and promotions and generally changing the culture around drinking in this country.

Mr. Andrew Mackay (Bracknell) (Con): As the Secretary of State is keen that hon. Members have views consistent with that of their leader, can he explain why on taking office in July the Prime Minister, together with his spin doctors, had a lot of publicity, particularly in the tabloids, about how he was going to change the Act and stop 24-hour drinking? The Secretary of State has been a great advocate of the Act from the Dispatch Box today. I am slightly confused; I would like him to put me right.

James Purnell: We still do not know whether Conservative Members agree with their leader. I can enlighten the right hon. Gentleman, as the Prime Minister said none of those things. What he said was that we had announced a review in 2004 on the effect of the Act, which was confirmed when I was the Minister responsible for licensing in 2005. That is exactly what we are doing. That review has been under way for a number of years. It was announced in 2004 and it has been continuing. That is exactly the right thing to do with legislation: to look at the effect. The effect has been a 5 per cent. fall in serious wounding offences, and the most authoritative study has shown that admittances to accident and emergency departments are down by 2 per cent. What we know from today's Question Time is that all Conservative Members seem to disagree with their leader.

Arts Funding

3. **Jeff Ennis** (Barnsley, East and Mexborough) (Lab): How much funding the Arts Council England has awarded to (a) opera and (b) brass bands over the last five years. [172199]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): In the last five years, the Arts Council England has awarded £987,000 to brass bands. Individuals playing in brass bands have also benefited from grants to the arts under the Arts Council "Take It Away" loan scheme. Over the same period, funding for opera totalled £159.681 million. The Royal Opera House also received funding in excess of £116 million to promote ballet and opera.

Jeff Ennis: I estimate that, over the last five years, for every £1 that brass bands have been given, opera has been given some £1,113. It is even worse than that, because funding for opera has risen by 28 per cent. in the last five years while funding for brass bands has decreased by 22 per cent. Will the Minister agree to meet me and representatives from the brass bands, particularly the community and youth band sector, to ensure that we level up and deal with that gross situation?

Margaret Hodge: I certainly do not want my hon. Friend to be brassed off, so I say to him that I support opera and brass bands. In that spirit, I will of course be delighted to meet him.

Mr. Mark Field (Cities of London and Westminster) (Con): As my constituency is the home of the Royal Opera House and English National Opera, may I request that a few brass bands—perhaps from Barnsley—visit my constituency? As far as I am aware, we have none that are funded.

Margaret Hodge: Undoubtedly, the hon. Gentleman will encourage various community groups in his constituency to take up brass band music. He has a good brass section in the opera house orchestra.

Kelvin Hopkins (Luton, North) (Lab): Although it is right to subsidise a range of arts, does the Minister accept that a disproportionate amount of subsidy goes to opera, which I enjoy and agree should be subsidised? In particular, does she accept that other forms of art require more subsidy, especially jazz?

Margaret Hodge: We should not get into a bidding process this afternoon. I make a serious point to my hon. Friend, which is that opera is the largest employer in the subsidised arts sector. That is because putting on an opera is complicated. There is a building, scenery and the orchestra to consider. However, we value brass bands and also jazz, which I particularly value.

Independent Cinemas

4. **Miss Anne McIntosh** (Vale of York) (Con): If he will make a statement on the future of independent cinemas with particular reference to the Ritz in Thirsk. [172200]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): Independent cinemas are an important part of our thriving cinema industry, offering a wide variety of film experiences to audiences throughout the UK. The UK Film Council has invested more than £6 million in independent cinemas through its funding schemes. That includes £730,000 to support investment in new equipment and facilities, including £4,800 in 2006 for the Ritz in Thirsk, which was just one of the 10 awards in Yorkshire totalling more than £134,000.

Miss McIntosh: Will the right hon. Lady join me in congratulating the Ritz on the sterling work that it does in Thirsk? It is manned by volunteers, who do sterling work through the regular evening performances. Will she reassure all of us who live in or near Thirsk and throughout Vale of York that independent cinemas such as the one in Thirsk will still operate in the digital age?

Margaret Hodge: Indeed; we all value the role that independent cinemas play. I have looked at the statistics and am particularly pleased that, after years of decline in the number of independent cinemas in the UK, there has been the beginnings of an increase in the last year. In part, that is due to the support that the UK Film Council has given, especially in ensuring that the equipment is in place to enable the use of digitised film. That is cheaper and easier, and will offer a better future for independent cinemas.

Christine Russell (City of Chester) (Lab): As my right hon. Friend indicated, going to the movies is an attractive leisure activity, not only for older people, who enjoy daytime viewings, but of course for young people as well. The importance of cinemas to town and city centres is that they provide an alternative to alcohol-fuelled entertainment. My city of Chester has lost all its city-centre cinemas. We are trying to get the Odeon reopened. Will she do more to persuade local authorities to adopt cultural strategies and pursue planning policies that protect cinemas rather than allow them to be in their death-knell, as so many are?

Margaret Hodge: First, I congratulate my hon. Friend on the vigorous campaign that she is pursuing in her constituency for her local cinema. Secondly, like her, I welcome the fact that box office earnings from cinemas have gone up 56 per cent. in the past nine years. Thirdly, the cultural infrastructure in our cities, towns and communities is hugely important because it makes them places where people want to live and work, and therefore makes them successful places.

Mr. Edward Vaizey (Wantage) (Con): Given that two out of three of our independent cinemas still do not have a digital projector, and given the right hon. Lady's warm words about them, does she have a strategy for digital switchover for the rest of our independent cinemas?

Margaret Hodge: I do not have a strategy, but the Film Council does. It is investing £11 million. About one in four of our cinemas have been converted. Of course, it must consider how it can take that further. It has just received a very generous funding settlement over the next spending review period and I have absolutely no doubt that it will bear the hon. Gentleman's words and my love for cinema in mind as it decides how to distribute those moneys.

Cricket Clubs

6. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): If he will make a statement on assistance for cricket clubs affected by summer flooding. [172202]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): Sport England wrote to the England and Wales Cricket Board in August to confirm that clubs affected by the floods were entitled to apply for funding from the National Sports Foundation. To date, two applications have been received. Sport England and the ECB are working together to resolve some outstanding issues surrounding those applications.

Mr. Vara: I am grateful to the Minister for that response. As he says, to date two applications have been made to Sport England for funding for cricket clubs affected by the recent flooding. Will he inform the House precisely how much money has been paid to those clubs, or can he give an indication of when the money will be paid if it has not been paid so far?

Mr. Sutcliffe: It might help the hon. Gentleman to know that a meeting is taking place today between the chief executive of Sport England and the ECB. I expect all outstanding issues to be resolved and the money to be paid across.

Mr. Henry Bellingham (North-West Norfolk) (Con): Does the Minister agree that the one club that was worst affected was Worcester cricket club? It lost a number of fixtures, had to relocate many fixtures and is seriously out of budget. Will he look particularly at that application?

Mr. Sutcliffe: Again, it is not me who will be looking at the applications; it will be Sport England through its meetings with the ECB. However, I understand the severity of the situation in Worcester. Obviously, we will do everything that we can to help.

Playing Fields

7. **Tom Brake** (Carshalton and Wallington) (LD): What steps his Department is taking to maintain numbers of playing fields; and if he will make a statement. [172203]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): We have tough measures in place to protect community playing fields. Planning guidance to local authorities is clear: no playing field needed by the community should be removed. In addition, Sport England objects to all applications that would result in a loss of playing fields, unless there is a clear benefit to sport. Those protections are working well. The latest published data from Sport England show that 96 per cent. of all applications affecting playing fields represented a net gain or no loss to sport.

Tom Brake: I thank the Minister for his reply. Harrow—St. George's field—Waltham college and Barnet are just three examples in London of playing fields that may be at risk because of the five-year consultation period. During that time, Sport England has to be a consultee, but if a developer sits on the land for five years after that, Sport England is not required to be consulted. What discussions has he had with the Department for Communities and Local Government on that matter? When does he expect that loophole to be plugged?

Mr. Sutcliffe: I know that the hon. Gentleman has raised his concerns a number of times with various Departments. The guidance—in planning policy guidance note 17—is clear, and it is important for us to conform with it; but if any loopholes exist, we must be sure to close them. I shall consider the issue, and I should be happy to discuss it with the hon. Gentleman in more detail later.

Mr. Nigel Evans (Ribble Valley) (Con): Not only is it sacrilege to sell off playing fields, but it is sacrilege for those that are held by schools not to be used at weekends or during summer holidays. Can the Minister ensure that schools, universities and other organisations, including local authorities, work harder together to ensure that football clubs and other sporting clubs, particularly those with youth sections, have access to the fields? Clitheroe Wolves, of which I am president, finds it very difficult to obtain access to playing fields on Saturdays, and it does a tremendous amount of work for the local community.

Mr. Sutcliffe: I do not blame the hon. Gentleman personally, but we will take no lessons from the Opposition about the sale of playing fields. It was the selling off of school playing fields when the hon. Gentleman's party was in power that created the problem in the first place. What we are doing is ensuring that participation increases along with investment in school sport, and that schools work with sports clubs. We are doing everything we can, including investing £4 billion over the last 10 years.

Mr. David Drew (Stroud) (Lab/Co-op): I hear what my hon. Friend says about the excellent policy of no sales, but surely we should also consider ways in which we can make more effective use of our playing fields. Will my hon. Friend have a word with Sport England about that? Where innovative schemes exist between the private sector and schools, for example, those are just the sort of initiatives that should be supported by appropriate funding.

Mr. Sutcliffe: I wholeheartedly agree that it is important for us to get all sectors working together to provide the best-quality playing fields and sporting venues for our sports people, at whatever level. I also agree that the relationship between the public and private sectors is vitally important.

Listed Buildings

8. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): What the criteria are for selecting which buildings are listed. [172204]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): Buildings are listed on the basis of their special architectural and historic interest. Those criteria, together with the general principles of selection, are set out in planning policy guidance note 15.

Mrs. Hodgson: What is the Minister's view on the process between applying for listed status and the granting or declining of that status?

Margaret Hodge: We have been consulting on the whole process for a couple of years in the heritage protection review, and we intend to produce a draft Bill for consideration by the House next spring. It will propose opening up and expanding consultation, combining the various schemes in a single system so that there are no longer separate schedule and listing schemes, and the passing down of responsibilities to English Heritage.

I should also be interested in opening a debate on the listing of newer 20th-century buildings, especially those built in the last 75 years or so. We could consider criteria relating to, for instance, whether a building is still fit for purpose, the cost of maintaining it, and the context in which we determine whether to list it, namely the existence or otherwise of buildings of the same kind around the country.

Geraldine Smith (Morecambe and Lunesdale) (Lab): May I draw the Minister's attention to the magnificent Midland hotel in Morecambe, a listed building which has benefited from £4 million of Government funding and has been restored? May I invite her to visit Morecambe and view the project, and also to view another building—the Winter Gardens—which is in need of Government help?

Margaret Hodge: My hon. Friend has spoken to me a great deal about both buildings. I know that my right hon. Friend the Secretary of State intends to go and see the renovation of the hotel in the spring. I hope that her local authority, or others with an interest in the theatre about which she is concerned, will consider whether our new fund of £15 million a year for three years to help coastal resorts in particular could be used to support its renovation and rehabilitation.

Mr. Simon Burns (West Chelmsford) (Con): Is the Minister satisfied that listed building controls and protections work satisfactorily in relation to the insides as well as the facades of buildings?

Margaret Hodge: If the hon. Gentleman feels strongly about that issue, I think we should discuss it in the context of the draft Bill that we are presenting next year. Members throughout the House have raised many listing issues with me on which—as we have the slot for the draft Bill, and legislation to follow it—we ought to have a serious discussion, hopefully non-partisan, with the aim of improving the system.

Anne Snelgrove (South Swindon) (Lab): I am concerned about a building in my constituency, the Mechanics Institute, which contains the first workers' library, built for the railway workers in Swindon. It is listed under the criteria that the Minister has announced, but is in danger of falling down through neglect. What powers has the Minister to step in when buildings are in such a state?

Margaret Hodge: I congratulate my hon. Friend on her work to ensure that the institute—part of a tentative world heritage site—is properly looked after and preserved. Once a building is listed, it falls to the local authorities in the area to ensure that the heritage is protected. In this case, there have been three planning applications, all of which have been rejected. English Heritage and the local authority are anxious to engage in discussions with a private developer to secure the long-term future of this fine grade II* listed building.

Stonehenge

9. **Robert Key** (Salisbury) (Con): If he will make a statement on the future of the Stonehenge world heritage site. [172205]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): Following the announcement in this House on 6 December that the Government will not continue with the A303 Stonehenge improvement scheme, the Under-Secretary of State for Transport, my hon. Friend the Member for Glasgow, South (Mr. Harris), and I will meet key stakeholders this evening to discuss the way forward for Stonehenge. Our aim is to find a new solution to improve the setting for Stonehenge, including new visitor facilities, with work being completed in time for the Olympics in 2012.

Robert Key: The Minister has my ensured support for her every effort in finding something to save from the wreckage of the Department for Transport's Stonehenge fiasco. In seeking to build a new visitors' centre within five years, will she please not go for a cheap and cheerful option? It must be a world-class, high-quality visitors' centre appropriate to the greatest world heritage site in this country. We must now look forward and not weep over what happened last week.

Margaret Hodge: I agree with the hon. Gentleman and look forward to working with him to find a lasting solution to the problems affecting a wonderful world heritage site that is currently spoiled by the visitors' facility and the surrounding road infrastructure. I hope that there will be co-operation across Government. He will know from his time with responsibility for the issue how difficult it is to get all the stakeholders together around the table absolutely determined to find a solution. The catalyst of the 2012 Olympics will, I hope, concentrate everybody's minds.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Stonehenge is a first-rate heritage site with second-rate facilities supported by a third-rate tourism policy. Even the United Nation's World Heritage Committee is complaining about the standards at Stonehenge. The Government now admit that they have nothing to show for 10 years of work after spending £23 million of taxpayers' money. Does not this reflect the Government's attitude towards tourism, with budgets cut and a failure to stand up to other Government Departments? It has been some time since the druids conducted their last human sacrifice at Stonehenge. Such is the anger at the Government that I suggest the Minister treats with caution any invitation to Stonehenge that she may receive for the next summer solstice.

Margaret Hodge: I have already visited Stonehenge; it is an issue of major concern that I want to resolve. I have had good discussions on the subject with the hon. Gentleman's Back-Bench colleague, the hon. Member for Salisbury (Robert Key). This Government have invested more in the past 10 years in supporting our heritage and tourism than the previous Government managed in 18 years. I have no doubt that with good will on all sides—including the local Conservative county council and the local district council—I am sure we will reach a conclusion.

Mr. Ellwood: We have been waiting 10 years.

Margaret Hodge: That is not an answer. I have no doubt that the hon. Gentleman would have taken a similar decision had he been sitting on this side of the House. We could not afford to undertake the scheme that was on the table and we need to find a lasting, better and—

Mr. Speaker: Order.

Topical Questions

T1. [172217] **Bob Russell** (Colchester) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for Culture, Media and Sport (James Purnell): Among the responsibilities of my Department is ensuring that everyone has the opportunity to enjoy world-class cultural and sporting activity. To that end, in my recent speech to the Youth Sport Trust I announced a review by Sport England which aims to ensure that we have a world-class community sports system. We put in place funding to ensure that all children will have the chance to do five hours of sport a week. Now my Department is working closely with the Department for Children, Schools and Families on a new ambition to give all children a five-hour offer of culture in and out of the curriculum. Our ambitions will be set out in the children's plan, published this week.

Bob Russell: In view of the serious problems affecting football in England, including the stewardship of the game's affairs, questionable financial matters, parasitic agents, increasing foreign ownership of clubs and the huge influx of foreign players to the detriment of the national side, is it not time that the Government arranged for a royal commission to consider the long-term interests of English football?

James Purnell: I know that the hon. Gentleman has asked about that before, but I do not think that the solution to the issues arising in English football is for politicians to step in and run it. However, it is important—I suspect the hon. Gentleman and I agree on this—that we all look at our role in making sure that we get over our recent problem with qualification. That means that we must look at our role in school sport, which we are doing—we are going from very few people doing sport to all children being offered five hours. It also means that the Football Association must look at its role and make sure that it does not compromise in terms of the reforms of the FA, that it implements the Burns report recommendations in full, and also that we have as independent chair of the FA someone who has the credibility to do that job as we would all want it to be done.

T2. [172218] **Ann McKechin** (Glasgow, North) (Lab): Earlier this year, the BBC director-general, Mark Thompson, undertook to increase BBC Scotland's contribution to the national network to more than 8 per cent. However, its current share is very much lower that that, and this has had a consequent effect on commissions to independent TV companies, some of which are based in my constituency and are struggling to survive. I ask the Minister to impress upon the BBC that it must address this issue as a matter of urgency to ensure the survival of the industry in Scotland.

The Secretary of State for Culture, Media and Sport (James Purnell): We did impress that upon the BBC—indeed, we put it at the heart of its purposes. In response, the BBC has announced that it will increase the share of production in exactly the way outlined by my hon. Friend, and that should help the independent producers in her constituency.

Mr. Jeremy Hunt (South-West Surrey) (Con): This morning, 10 of the most senior chief executives of the tourism industry wrote to the Prime Minister expressing their

> "anger and disappointment with the Government's tourism policy."

Despite the fact that 1.4 million people depend on the industry for their livelihood, one of the chief executives said that

> "the DCMS is inadequately defending our interests."

Given that the Secretary of State's Department has cut the VisitBritain budget and abandoned a public service agreement target to make tourism a £100 billion industry, will he say whether he has a vision for tourism, whether he has given up on the tourism industry, or whether this is what Baldrick would call "a cunning plan" to minimise the international attention on domestic Government crises by minimising the number of international visitors?

James Purnell: I am afraid that that was almost as laboured as the druid joke of the hon. Member for Bournemouth, East (Mr. Ellwood). The hon. Member for South-West Surrey (Mr. Hunt) fails to recognise that we have a plan; it is published in the 2012 document, of which I am sure he is aware. We have also doubled over the past 10 years the amount of money going from central Government to tourism, and we have announced that we want to make sure that we use more effectively the £348 million that is being spent, which is why we have asked VisitBritain to conduct a review of how it does so.

Mr. Hunt: The Secretary of State may like to use soothing words, and this Government have always been good at words and reports, but here are the facts: since his Government came to power, this country's market share of international tourist visits has fallen by 10 per cent. and our market share of international tourism spend has decreased by 14 per cent. The report mentioned was about the Olympics, which offers a huge opportunity to put this right, but tourism chiefs also said this morning that the Government were

> "squandering a once in a lifetime opportunity"

to use the Olympics. Will the Secretary of State have the courage to revisit his approach, so that our hard-pressed tourism industry can thrive because of Government policies rather than despite them?

James Purnell: That is exactly what we are trying to do. The hon. Gentleman is failing to recognise the fact that since 1997 we have doubled the amount of money spent by central Government through the regional development agencies, which I believe he is committed to abolishing. Until he is prepared to match his criticisms with increased funding, the tourism industry will not pay any attention to him.

T7. [172223] **Mr. Jamie Reed** (Copeland) (Lab): The Secretary of State has taken a detailed interest in the digital switchover process in my constituency, one of the most important parts of which was clearly the targeted assistance scheme. Now that switchover has occurred, has his Department made any assessment of the effectiveness of that scheme?

The Secretary of State for Culture, Media and Sport (James Purnell): We shall be reviewing that as a consequence of the scheme in Copeland. The initial conclusion is that the scheme is broadly correct; it is the most generous in the world and it is one of the things that will help to smooth the process of digital switchover. We all recognise that this is a huge undertaking—it is a significant technological undertaking and a big social change—and I pay tribute to my hon. Friend and his local council and voluntary organisations which played such a proactive and confident role in ensuring that this was a success and in putting Copeland and Whitehaven on the map.

T3. [172219] **Tom Brake** (Carshalton and Wallington) (LD): The Secretary of State recently announced that Sport England will no longer have responsibility for ensuring that people keep active and participate in exercise—that will now be the Department of Health's responsibility. Will he set out what written undertaking he has received from the Department of Health that it will make this a priority? May we see a copy of any such written undertaking?

The Secretary of State for Culture, Media and Sport (James Purnell): Given that it was leaked to *The Observer* recently, I am sure that the hon. Gentleman will have read about it. It was rather misrepresented in *The Observer* as the newspaper talked about our wanting to focus on elite sport. We want to focus on having world-class community sport: we said in our Olympic promises that we would have a world-class sporting nation, and that is exactly what we will do. The goal of raising activity is important and legitimate. As the hon. Gentleman said, we shall be working with the Department of Health, and with other colleagues, on ensuring that a long-term cultural change takes place so that the problem of obesity is addressed. We need to be clear that that will be done partly through sport—that will be Sport England's role—but not exclusively so.

T5. [172221] **Mr. Peter Bone** (Wellingborough) (Con): Is the Secretary of State concerned about the alleged horse race fixing in this country?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): We are always concerned when issues affect the integrity of a sport. I hope that the horse racing authorities will examine what happened in this individual case and make any necessary changes to their rules.

T6. [172222] **Andrew Selous** (South-West Bedfordshire) (Con): Will the Secretary of State have a word with all lottery distributors about the fairness of their grants, given that the much wealthier Buckingham constituency, which borders mine, has received more than three times as much grant as my constituency? Excellent applications from both Houghton Regis and Leighton Buzzard have recently been turned down. Will he look into the matter?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): It is important that all constituencies do their utmost to get as much money from the lottery as possible. Clearly, that depends on the quality of the bids, so is it important that the hon. Gentleman helps his constituents to ensure that the bids that they put forward are quality bids. I am sure that they will then get the money to which they are entitled.

T8. [172224] **Chris McCafferty** (Calder Valley) (Lab): Will the Secretary of State join me in congratulating Hebden Royd town council on its successful People's Millions bids to develop and reform Calder Homes park following a momentous regional head-to-head battle on television, which genuinely allowed the people to vote?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I congratulate my hon. Friend's constituents on the outstanding bid that they put forward. The point that we are making about bids is not so much about the quality, but about the number of bids received by the lottery funders. It is important that people consider what they are trying to achieve with the different types of bids for the different types of funds that are available.

T9. [172225] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): Is the Minister aware that there is still real concern in my constituency, particularly among pensioners, about the rising costs of the Olympics? Will he reassure my constituents that London council tax payers will not be responsible for funding any Olympic losses, and that their contribution will be capped?

The Secretary of State for Culture, Media and Sport (James Purnell): The Mayor has been quite clear on that matter. I understand that these issues are best addressed in the next set of questions to my right hon. Friend the Minister for the Olympics.

✓T10. [172226] **Mr. Adrian Sanders** (Torbay) (LD): Could the Minister of State explain the contradiction in the fact that Stonehenge is considered a national issue by her Department but it is considered a regional one where transport is concerned?

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): Stonehenge is a national issue because it is one of our world heritage sites, but decisions on transport priorities are best left to the regions. I would have thought that the hon. Gentleman, as a Liberal Democrat, would support the decentralisation of decision making in all areas of government.

Mr. Gordon Marsden (Blackpool, South) (Lab): I and other seaside MPs warmly welcome the dedicated £45 million investment. Will my right hon. Friend consider the charms of the proposal to relocate the theatre museum to Blackpool and, more prosaically, how quickly the Commission for Architecture and the Built Environment will produce the guidelines and open the competition for the funding?

Margaret Hodge: I congratulate my hon. Friend and the group of MPs who have worked with him to persuade us of the importance of investing in our seaside resorts. We are waiting for CABE to come forward with some guidelines and proposal for its management of that budget. The money comes on stream from April and we would like to get it spent as quickly as possible.

Anne Milton (Guildford) (Con): Despite the tough stance taken by Guildford borough council on town centre drinking and standing up to big business, residents of Guildford continue to suffer from alcohol-fuelled crimes in some of our streets. What action will the Secretary of State take to give comfort to my residents?

The Secretary of State for Culture, Media and Sport (James Purnell): I do not know whether the hon. Lady grew up in Guildford, as I did, but there was no problem then and, as my family continue to live there, I know that it emerged before the Licensing Act 2003, which was introduced to provide people with tough powers. I take it that the hon. Lady also disagrees with her leader when he said—*[Interruption.]* I am sure that the Opposition do not like—

Mr. Speaker: Order.

OLYMPICS

The Minister for the Olympics was asked—

Budget (Essex)

1. **Bob Spink** (Castle Point) (Con): What estimate she has made of the proportion of the budget for the 2012 Olympic Games which will be spent in Essex; and if she will make a statement. [172189]

The Minister for the Olympics (Tessa Jowell): Weald country park in Essex will host the mountain biking at the Olympic games. There will be enormous opportunities for the people of Essex and the rest of the UK to take full advantage of the commercial opportunities, the chance to volunteer and the cultural events that will form part of 2012. I also draw the hon. Gentleman's attention to the statement that I issued this morning confirming that, following a detailed review, the baseline budget for the Olympic Delivery Authority remains at £6.1 billion, with a contingency of just over £2 billion, within the total Government funding package I announced in March of £9.325 billion.

Bob Spink: I am grateful for that answer, but I still have no real information about how much of the budget will be spent in Essex. Most of the county is within an hour of the Olympic site and, in order for it to partake in the construction and the service industry that will make the games the great success that they must be, and for Essex people to go and enjoy the games, we need our infrastructure upgraded. Will any of the money be spent on improving our roads and railways so that we can contribute to the games?

Tessa Jowell: There will be substantial opportunities for businesses in the hon. Gentleman's constituency to compete for the thousands of contracts that will be let over the next few months. He should ensure that all businesses receive electronic alerts to let them know that contracts are becoming available and he should encourage his constituents to volunteer for the games. There will also be opportunities in relation to training camps and so on. The initiative lies with Essex because the Olympic opportunities are available.

Andrew Mackinlay (Thurrock) (Lab): What discussions has my right hon. Friend had with the Department for Communities and Local Government and the Department for Transport about the need to sort out the parlous junction of the A13 and M25 just north of the Dartford-Thurrock crossing before the Olympic games? Unless that is addressed, many visitors to the Olympics will be frustrated. I want to see joined-up government, because we need some movement on that issue.

Tessa Jowell: Certainly, transport infrastructure investment is an important part of the Olympic legacy, in the area around the Olympic park in London and elsewhere. I am happy to write to my hon. Friend about the junction he refers to.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): A year ago, in relation to the Olympic budget, the Minister told the Select Committee:

> "I want to be absolutely sure that nobody draws any conclusion that 'programme contingency' translates inevitably into 'additional cost'."

Now that the chairman of the ODA and the permanent secretary have both suggested that it is likely that it will all be extra cost, can the Minister say whether she expects that any of the programme contingency will remain unspent?

Tessa Jowell: Let me answer the hon. Gentleman's question with two points. First, as he is well aware, the contingency provision that is available to the ODA, at just over £2 billion, is net of £500 million that has already been allocated through the internal government funders committee to the ODA. Secondly, it is important to be clear that the money drawn from contingency is to meet risks that may be encountered as the development proceeds. Over the next six months, some £5 billion of projects related to the Olympic park will be commissioned and will begin. The answer to the hon. Gentleman's question is that contingency meets risk, and, no, it is not certain that the whole contingency will be drawn down, but the chairman of the ODA is absolutely right: we will be clear about that only when the games are over. However, the probability assessment, which confirms the robustness of the budget, gives us grounds for optimism that not all the contingency will be used.

Volunteers

2. **Angela Watkinson** (Upminster) (Con): If she will make a statement on the opportunities and procedures for volunteering in relation to hosting the 2012 Olympics. [172190]

The Minister for the Olympics (Tessa Jowell): The London Organising Committee estimates that 70,000 volunteers will be needed for the 2012 games. Since we won the bid, some 160,000 people have registered their interest in becoming volunteers for the games. We hope that, beyond the 70,000 who will be recruited to work in the Olympic park, there will be opportunities for people around the country who wish to volunteer, so that the good will and enthusiasm is all used.

Angela Watkinson: I thank the Minister for her reply, but what would she say to my formidable constituency secretary, Marjorie Ramsey, who could probably organise the London Olympics single-handed, who telephoned to offer her services and was told that she was too old? What will the Minister do to ensure that the London Organising Committee operates an equal opportunities policy?

Tessa Jowell: I would say that that was a shocking and no doubt wholly unintended offence. Perhaps on the strength of the publicity that Marjorie Ramsey's application has been given, she will phone again.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I understand that, when people put their names forward to be volunteers, they are told to go off and do some volunteering activity. Does my right hon. Friend think that we need to have something more coherent and planned in relation to volunteers to ensure that they are properly equipped and trained to do the job when it comes up?

Tessa Jowell: My hon. Friend makes some important points. This is an opportunity to engage not just people in the Olympic park, but some of the most disadvantaged people across the 11 London boroughs, who will have their first opportunity to learn skills through volunteering that could get them the job that they have never had. There are many opportunities, and volunteering as a way of acquiring and developing skills is one of the great legacy opportunities for the Olympics which we intend to realise.

Mr. Boris Johnson (Henley) (Con): Given that it will encourage even more people to volunteer for this wonderful project if the financial arrangements are sound, can the Minister not only guarantee that the budget will be transparent but answer the question dodged by the Secretary of State and guarantee that the London Olympic precept will not be raised by the current Labour Mayor?

Mr. Speaker: Order. The subject is volunteering.

Hugh Robertson (Faversham and Mid-Kent) (Con): May I thank the right hon. Lady for the briefing that her Department gave me this morning?

As my hon. Friend the Member for Upminster (Angela Watkinson) said, volunteers are key to the delivery of the pledges on mass participation that were such an important part of London's bid in Singapore. Given that the budget announced this morning confirms that only £290 million is available for very specific sports tasks related to the Olympics, and, of course, that the national lottery is being hit further to pay for the Olympics themselves, how on earth will the commitments on mass participation in sport be met?

Tessa Jowell: I am sure that the whole House will want to congratulate the hon. Gentleman on the birth of his son, James, who will probably be a bit too young to be a volunteer, even in 2012.

The hon. Gentleman makes an important point in that there is certainly provision in the budget—some £290 million—to cover the cost of not only some elite sport, but some community sport development. However, outside and beyond the Olympic budget, which will regenerate the park and build the transport and venues, there are the Olympic opportunities that will be met right across government and will boost participation in both sport and physical activity. As my right hon. Friend the Secretary of State has clearly described, that will be one of the important ambitions that will be realised, and the detail will be set out when we publish the legacy action plan next year.

Employment

3. **Natascha Engel** (North-East Derbyshire) (Lab): What steps are being taken to improve the skills of local people seeking work on the 2012 Olympic and Paralympic games. [172191]

The Minister for the Olympics (Tessa Jowell): I pay tribute to my hon. Friend's long campaign on increasing skills, especially among the most disadvantaged people. She will be pleased to know that the Olympic site will become a national skills academy for construction, providing specialist skills to local workers through at least 1,000 job and training placements, with more than 500 apprenticeship places. Training is also under way in other key sectors: media, sport and hospitality.

Natascha Engel: I thank my right hon. Friend for that answer. I am thinking about Olympic projects up and down the country as well. What kind of work is the Department doing to identify the skills that will be needed between now and 2012 so that places such as Laing O'Rourke, which is near my constituency—it is between Bolsover and Bassetlaw—and employs 320 skilled workers, can benefit from those projects?

Tessa Jowell: That is precisely what we want to achieve. I know that my hon. Friend will work closely with her regional development agency, which has ambitious plans, and the Learning and Skills Council to ensure that her constituents have the opportunity to become skilled and be eligible for jobs in not only the Olympic park but her constituency.

Point of Order

3.33 pm

Mr. Jim Devine (Livingston) (Lab): On a point of order, Mr. Speaker. The Under-Secretary of State for Business, Enterprise and Regulatory Reform, my hon. Friend the Member for Harrow, West (Mr. Thomas), has just issued a written ministerial statement on Farepak. He says that the report will be ready early in the new year, but that it will not be made public or available to Members of Parliament. Given the possible legal process, I understand that that is justified—we do not want to prejudice a trial. However, he goes on to say that regulators will be given a copy of the report. Will you, Mr. Speaker, facilitate a meeting under Chatham House rules so that Members from both sides of the House may have an opportunity to discuss the outcome of the report?

Mr. Speaker: While I have a great deal of sympathy with the men and women who lost their savings through Farepak, that is something that I cannot get involved in. The hon. Gentleman should take the matter up with the Minister because he is responsible for his parliamentary statements.

BILLS PRESENTED

DRUGS (RECLASSIFICATION)

Mr. Christopher Chope, supported by Mr. Peter Bone, Mr. William Cash, Philip Davies, Mr. Nigel Evans, Mr. David Heathcoat-Amory, Mr. Robert Syms and Sir Nicholas Winterton, presented a Bill to provide for the reclassification of cannabis: And the same was read the First time; and ordered to be read a Second time on Friday 29 February, and to be printed [Bill 37].

DRUGS (ROADSIDE TESTING)

Mr. Christopher Chope, supported by Mr. Peter Bone, Mr. William Cash, Philip Davies, Mr. Nigel Evans, Richard Ottaway, Mr. Greg Knight, Mr. Graham Stuart, Peter Viggers, Sir George Young and Sir Nicholas Winterton, presented a Bill to make provision for roadside testing for illegal drugs; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 9 May, and to be printed. [Bill 38].

BROADCASTING (TELEVISION LICENCE FEE ABOLITION)

Mr. Christopher Chope, supported by Mr. Peter Bone, Mr. William Cash, Mr. Nigel Evans, Philip Davies, Mr. Mark Field, Mr. David Heathcoat-Amory, Bob Spink and Mr. Robert Syms, presented a Bill to make provision for the abolition of the television licence fee; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 17 October, and to be printed. [Bill 39].

SOVEREIGNTY OF PARLIAMENT (EUROPEAN COMMUNITIES)

Mr. Christopher Chope, supported by Mr. Peter Bone, Mr. William Cash, Philip Davies, Mr. Nigel Evans, Mr. David Heathcoat-Amory, Bob Spink, Mr. Robert Syms, Mr. Andrew Turner, Peter Viggers and Sir Nicholas Winterton, presented a Bill to provide that Community treaties, Community instruments and Community obligations shall only be binding in legal proceedings in the United Kingdom insofar as they do not conflict with a subsequent, expressly inconsistent enactment of the Parliament of the United Kingdom: And the same was read the First time; and ordered to be read a Second time on Friday 13 June, and to be printed [Bill 40].

EUROPEAN UNION (AUDIT OF BENEFITS AND COSTS OF UK MEMBERSHIP)

Mr. Christopher Chope, supported by Mr. Peter Bone, Mr. William Cash, Mr. Nigel Evans, Mr. David Heathcoat-Amory, Bob Spink, Mr. Robert Syms, Mr. Andrew Turner, Peter Viggers and Sir Nicholas Winterton, presented a Bill to establish a Commission to carry out regular audits of the economic costs and benefits of the UK's membership of the European Union; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 20 June, and to be printed [Bill 41].

ROAD TRAFFIC (CONGESTION REDUCTION)

Mr. Christopher Chope, supported by supported by Mr. Peter Bone, Mr. William Cash, Sir Patrick Cormack, Philip Davies, Mr. Mark Field, Mr. David Heathcoat-Amory, Mr. Greg Knight, Bob Spink, Sir Nicholas Winterton and Sir George Young, presented a Bill to place a duty on highway authorities and police forces to minimise congestion and delays caused by collisions and other incidents on the highway; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 13 June, and to be printed [Bill 42].

CROWN EMPLOYMENT (NATIONALITY)

Mr. Andrew Dismore, supported by Dr. Tony Wright, Mr. Andy Slaughter, Annette Brooke, Mr. Andrew Love, Keith Vaz, Ms Karen Buck, Mr. Virendra Sharma, Mike Gapes, Jeremy Corbyn, Shona McIsaac and Stephen Pound, presented a Bill to make provision for and in connection with the removal of general restrictions as to nationality which apply to persons employed or holding office in any civil capacity under the Crown; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 6 June, and to be printed [Bill 43].

PEDLARS (STREET TRADING REGULATION)

Dr. Brian Iddon, supported by Mr. David Amess, Jim Dobbin, Mr. Lindsay Hoyle, Mark Hunter, Mr. Eric Illsley, Martin Salter, Alan Simpson, Anne Snelgrove, Mr. Phil Willis and Sir Nicholas Winterton, presented a Bill to confer further powers on local authorities for the regulation of street trading by pedlars; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 1 February, and to be printed [Bill 44].

Orders of the Day

Planning Bill

Order for Second Reading read.

Mr. Speaker: I inform the House that I have selected the amendment in the name of the Leader of the Opposition.

3.35 pm

The Secretary of State for Communities and Local Government (Hazel Blears): I beg to move, That the Bill be now read a Second time.

The Bill will reform the planning system to make it fairer, more efficient and ready to equip Britain for the challenges of the 21st century. It will speed up decisions on major projects that are vital to our economic future. Together with the Climate Change Bill and energy Bill, it will accelerate our transition to a low-carbon economy. At every stage it will reinforce the democratic principle that everyone should have a fair say on the future of their neighbourhood.

Sixty years ago, a Labour Government passed the landmark Town and Country Planning Act 1947. I have read the *Hansard* of the Second Reading, and I can tell the House that the then Minister for town and country planning took two hours to introduce the Bill. I am happy to reassure Members on both sides of the House that I do not intend to emulate that example today. I am sure that that will come as a great relief. It was a Labour Government who introduced that landmark legislation.

Sir Paul Beresford (Mole Valley) (Con): I apologise for intervening so early on, but it is probably an appropriate moment. One of the difficulties that I, and many of the individuals whom I know in local government, have with the Bill is that it is very short on detail. We are used to skeletal Bills, but this one has osteoporosis. Will the right hon. Lady please expand on one or two key points? For example, will she give a definition, at the lower level, of what she would call a nationally significant infrastructure project?

Hazel Blears: I will gladly do that. The hon. Gentleman will see that in the clauses we set out the range of nationally significant infrastructure projects. They include ports and harbours, and projects to do with aviation, energy, water, waste water, and waste disposal. Many of the limits determining when a project will be a major project are set out in the Bill. An example would be energy projects over 50 MW. There is detail in the clauses about the ambit of the legislation, and where it is designed to bite on specific projects.

Sir Paul Beresford: I thank the Secretary of State very much. In my area, there is concern about the prospect of a previous Member of Parliament for Putney setting up an eco-town around an incinerator. Could the Bill be utilised by him and his backers?

Hazel Blears: No. The hon. Gentleman will know that our proposal for eco-towns, which are currently the subject of a great deal of interest locally, is to try to make sure that our homes are zero-carbon. We want to ensure that not only our homes, but the whole way in which the community is designed, minimise carbon emissions. The hon. Gentleman highlights an interesting case involving conflict; the legislation is designed to integrate our environmental and economic objectives, and not to have them pulling against each other, as may well be the case in the illustration that he gave us.

Mr. Jim Cunningham (Coventry, South) (Lab): Will my right hon. Friend spell out how these planning regulations will affect medium-sized airports, some below regional level and some at regional level? That is an area of concern for many members of the public.

Hazel Blears: My hon. Friend is right that aviation is a matter of concern to the public. He will know that our air transport White Paper, to which I will refer later, deals with how aviation might become the subject of a designated national policy statement under the Bill and the process that we will need to go through before we get to that point.

Paul Farrelly (Newcastle-under-Lyme) (Lab): My right hon. Friend did not include motorways in her list. Three years ago, the then Transport Secretary, who is now Chancellor of the Exchequer, dropped a bombshell in the Chamber by setting out his preference for a tolled expressway to run parallel with the existing M6 through to Staffordshire and Cheshire. That plan was dropped after a huge public outcry. How will the Bill, specifically the rather Napoleonic arm's length infrastructure planning commission, affect the ability of local people not only to have their say but to have real leverage over the outcome with the assistance of their Members of Parliament?

Hazel Blears: I hope to be able to reassure my hon. Friend and all Members that under the Bill there will be more accountability and a better place for the public to have a good, substantial debate about the national need for infrastructure, not only for roads but for a whole range of issues, including energy, harbours, aviation and transport.

Several hon. Members *rose*—

Hazel Blears: I will take a couple more interventions and then press on. I give way to my right hon. Friend the Member for Birkenhead (Mr. Field).

Mr. Frank Field (Birkenhead) (Lab): May I, as another Labour Member, say that some people would like to see a little more of the Napoleonic approach to planning? Not everyone is critical of the Government's aim of speeding up the planning process. In Merseyside, Peel Holdings, which owns the dock and harbour company, wishes to create on the Birkenhead side of the river a development that, when complete, will lead to some 27,000 new jobs and 15,000 new homes. That will transform our whole area, particularly the job opportunities for some of my poorer constituents. I hope that the Minister will not be weighed down by those who fear that she will act too quickly, but will accept that some of us are worried that she will not act quickly enough.

Hazel Blears: My right hon. Friend makes an extremely important point. I have seen for myself the tremendous proposals for Birkenhead that he mentions. Under these

[Hazel Blears]

proposals, we should be able to cut in half the average time that it takes for a major proposal to receive consent. At the moment, the average time is two years; if we can get that down to a year we will do a service to all our constituents.

Paddy Tipping (Sherwood) (Lab): Given that the Secretary of State rightly spoke about the importance of Labour planning policy as a way of delivering social change, does she understand the concern of many of us that the infrastructure planning commission will be removed from democratic control? Do we not need to focus on that during the passage of the Bill?

Hazel Blears: My hon. Friend raises an important issue. He has a proud record in this House of ensuring that local people, in particular, have a proper say and that there is accountability. I hope to be able to convince him and other Members that there will be accountability under the Bill. There will be democratic input into the national policy statement, parliamentary scrutiny and a big national debate, and then the independent commission will take its decisions with that national policy statement, which will be its primary consideration, as the place where there is proper political accountability. That combination will be a very robust form of accountability.

Several hon. Members *rose—*

Hazel Blears: I will try to be fair by giving way to the hon. Member for Hertford and Stortford (Mr. Prisk).

Mr. Mark Prisk (Hertford and Stortford) (Con): To return to the excellent point made by the hon. Member for Sherwood (Paddy Tipping), who will be in charge? For example, if there were a proposal to build an eco-town in Salford, the Homes and Communities Agency established by the Government might say, "This is a very good idea", but the IPC might say, "No, this is a poor idea." Given how the Bill is drafted, is not the truth of the matter that in the end the Minister will be pulling the strings from behind the scenes?

Hazel Blears: The hon. Gentleman is under a fundamental misapprehension and raises an issue that should not be of concern to him. Matters such as eco-towns and large housing developments will continue to be decided by local authorities under the town and country planning system and by reference to the local development plans that have been selected. The Bill is primarily about major infrastructure projects in roads, aviation, energy and so on. We expect that there will be about 45 major infrastructure projects per annum.

I need to press on with my speech. I have only just got to 1947, and I need to make a little bit more progress. The Labour Government of that time were committed to positive steps for managing a period of great change, and my hon. Friend the Member for Sherwood (Paddy Tipping) raised the importance of that point. At that time, the Government were rebuilding blitzed cities, building new towns and reconciling the growth of great new industrial activity with making the country a desirable and convenient place to live. The Act they designed then set out the principles of a planning system that has endured for 60 years. We have managed to secure growth and jobs while protecting green spaces. Today, again, a Labour Government are ready to make those tough decisions that are in the long-term interests of the country.

Planning should help us to meet and to master the unprecedented challenges of the 21st century: climate change, the economic pressures of globalisation, and the urgent need for new housing and secure, clean energy supplies. The current system really struggles to do that. Nationally significant infrastructure projects, such as transport links or renewable energy, that are vital to our competitiveness and our quality of life face unacceptable delays. It took six years to get approval for a vital upgrade to the north Yorkshire power line; three and a half years to turn down the proposed container port at Dibden bay; and nearly three years for a decision on Little Cheyne Court wind farm in Kent, which had the potential to provide over 50 MW of green energy. No one benefits from such delays: not business, local people, the economy or wider society.

Miss Anne McIntosh (Vale of York) (Con): Does the right hon. Lady accept that part of the rural economy revolves around people visiting areas such as the north Yorkshire moors, the Yorkshire dales, the Scottish borders and beautiful, remote and isolated parts of the United Kingdom? Does she accept that when a line of pylons is to be built that will be needed for the new wind farms announced by the Government today, people should have the right and the time to have their views considered before such decisions are taken?

Hazel Blears: Indeed. In fact, under the Bill, people will have three opportunities to have a say. At the moment they have only one chance, at the inquiry. Under the Bill, they will have an opportunity when the national policy statement is being drawn up; a second opportunity because the developer has to consult the community when he or she introduces a proposal; and a third opportunity when we get to the inquiry itself. Far from reducing the public's voice, the Bill will provide a stronger voice, so that they can have their say.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. Friend will not be surprised to hear me say that the best armlock that the public could ask for is third-party right of appeal. All Oppositions sign up to that idea, but find it difficult to adhere to when they get into government. I am prepared to consider various ways in which that could be introduced, but will my right hon. Friend look seriously at a way in which the public could genuinely participate in the process? They would be able to stop something that had been agreed to by the formal planning authorities if they had a proper way of intervening in that process.

Hazel Blears: I know that my hon. Friend has been pursuing this issue assiduously for a considerable time. Under the Bill, there is provision for consultation before an application is brought forward, and I hope that in many cases the public will be more engaged than they are now. At the moment, I have a sense that developers with a lot of money get a say, as do organised pressure groups or lobby groups. The people who do not get a say are often the individuals who need to be brought into the process, and we shall put an extra £1.5 million into the Planning Aid organisation, which goes out to seek the views of those who do not normally get a say. I hope that the process will be more robust.

Mr. William Cash (Stone) (Con): Will the right hon. Lady give way?

Hazel Blears: I will give way, and then I shall get on to 1960.

Mr. Cash: In the light of what the Minister has said about the prospective 45 schemes per year, does she agree that it sounds remarkably as if those sorts of schemes would have been dealt with under private legislation before a Committee of this House? They would have been decided on by Members on behalf of their constituents on the Floor of the House.

Secondly, where major projects with huge resources behind them are concerned—where those driving them can afford to pay—does the right hon. Lady agree that it would be a good idea if there were some means whereby residents associations or amenity societies could call on public funds in order to fight their cause at a local level?

Hazel Blears: The hon. Gentleman raises the issue of hybrid Bills, and some of these matters might have fallen into that category.

Mr. Cash: Private legislation.

Hazel Blears: Some of them would have been hybrid Bills because they impinged on private rights. The new system, I think, is a much better way to deal with complex overlapping consent regimes, which are often based on a range of legislation, some of which is pretty ancient. The new system will be better. In relation to the second part of the hon. Gentleman's question, I replied to my hon. Friend the Member for Stroud (Mr. Drew) that we would fund substantial extra resources for Planning Aid. It will go out and help the residents groups to have their say in the inquiry process. I hope that that will reassure the hon. Member for Stone (Mr. Cash).

As I said, the system is complex and we have lots of different bits of legislation. For example, Heathrow terminal 5 apparently required 37 different applications under seven pieces of legislation. That complexity makes it harder for people who are poor in time, resources and expertise to get involved. We are proposing some fundamental changes. The Bill will introduce a new, single system, which will run alongside the town and country planning system, to handle big infrastructure projects such as ports, power stations, major roads and reservoirs.

The Bill contains three stages. First, the Government will set out the case for the infrastructure that the nation needs in national policy statements. That is the heart of the Bill. The national policy statements will be subject to debate across the country and in Parliament. I want to ensure that there is good parliamentary scrutiny. Secondly, for the first time, whenever a developer puts together a proposal for a major project, they will be required to consult local communities before they submit the planning application, as well as carrying out the environmental assessment that is usually required under European law. The third stage is the establishment of the new independent infrastructure planning commission. It will consist of leading experts from a range of fields—including community engagement, to ensure that the processes work, as well as planning, local government and the environment. Those experts will work within the legal duties set by Parliament and the policy set by Government and they will make the decisions on individual projects.

Emily Thornberry (Islington, South and Finsbury) (Lab): Will my right hon. Friend ensure that the Planning Bill and the new Climate Change Bill will mesh together properly to ensure that we cut carbon emissions? Will she therefore ensure that the independent committee on climate change is a statutory consultee in the development of national policy statements? Will she also ensure that individual—

Mr. Speaker: Order. The hon. Lady is intervening in a debate. That is not an opportunity to read out a written speech or note. I will ask the Secretary of State to do what she can to respond to the hon. Lady.

Hazel Blears: I am grateful to my hon. Friend, and I know that she takes a significant interest in these issues. This Bill, the Climate Change Bill and the energy Bill are part of an integrated package to ensure that we can meet our challenging targets on climate change. If we can speed up some of the applications in the system for renewable energy sources, particularly wind farms, that will help us significantly. We will be drawing up a list of statutory consultees, and I am sure that a range of bodies that deal with climate change will need to be included. I shall confirm that to her at a later date.

John McDonnell (Hayes and Harlington) (Lab): Will the Secretary of State clarify whether the national policy statements, which could define an individual project, will be subject to amendment on the vote of this House?

Hazel Blears: It is not a matter for me as a member of the Government to dictate to Parliament how it should scrutinise the national policy statements. However, it is important that a new Select Committee should perhaps be drawn up to consider the range of policy statements. Parliament may decide to include people with experience from the existing Select Committees in that Committee, because they will have the expertise to probe and ask questions. If that Committee were to decide that the issues were of such importance that there needed to be a debate in both Houses of Parliament, we should make time for that debate to happen. If Parliament were to want a vote on those issues, that will be the right and proper course to take. I mean to ensure that there is proper parliamentary scrutiny of the national policy statements. It is so important that we get them right, because they are where the accountability in the new framework lies. I am determined that not only Parliament but the public should take part in a national debate about what infrastructure the country needs.

Mr. Mark Field (Cities of London and Westminster) (Con): The Secretary of State will understand that many hon. Members have great sympathy with the Government's objectives. However, we are concerned about the lack of democratic accountability and transparency. The right hon. Lady reckoned that some 45 cases a year would be major infrastructural projects. Is she seriously suggesting that we will have long debates in the House on each of those cases?

Hazel Blears: No. I know that a range of hon. Members of all parties want the system to work better, be quicker and provide more certainty. The debate will be on the national policy statement, which could be about aviation or energy. If it was about energy, it could deal with nuclear, coal and gas. Once the debate has happened and the framework has been set, the inquiry stage for the independent planning commission should be quicker and less contentious because the national policy statement will be the primary consideration for the commission. The debate on need, which is often repeated time and again at every inquiry, will happen when formulating the policy statement. The decision making will be better because every single inquiry will not go over the same old ground of the national need for the infrastructure.

Mr. John Gummer (Suffolk, Coastal) (Con): An application is likely to be made for a nuclear power station in my constituency. I would be in favour of that. When the previous application was presented, the same argument was made again and again, and the Secretary of State is right that such matters can be decided centrally. However, people in my constituency wanted to know how the goods would be brought; how the lorries would get there, and where the roads would be. Those matters were debated in front of a judge, and the people believed that the judge was independent—the inquiry was independent of any Minister—and would therefore make an independent decision. Instead, they will now get a quango, appointed by the Secretary of State, to make the decisions. They will not put up with it. The Secretary of State will not get what she wants quicker, but very much slower, because Swampy will rule.

Hazel Blears: I was happy to give way to the right hon. Gentleman. I stress that the decision-making process will be independent. The infrastructure planning commission will be independent and robust and include experts who are renowned in their fields. That will reassure people that the decisions are being made properly.

It is interesting to note that as many people say that Ministers should make the decisions as those who say that they should not. Some people claim that the planning commission will be too independent rather than not independent enough, so I look forward to that clash of ideas in the House. Some people claim that ministerial decisions—the way in which matters are tackled now—are somehow more accountable. However, as the right hon. Gentleman knows, Ministers make quasi-judicial decisions in a legal framework that can be challenged only in the courts, not by Parliament. I therefore believe that the process for the national policy statements will give us more, not less accountability.

Mr. David Curry (Skipton and Ripon) (Con) *rose*—

Hazel Blears: I give way to the right hon. Gentleman, for whom I have a great deal of respect.

Mr. Curry: There is a significant distinction between a debate on a national policy statement, which, by definition, is about a principle, and that about the positioning of a power station or a runway. If 45 decisions a year are to be made, will the entire membership of the commission hear the whole submission in every case, or will a handful of members perhaps chair sub-committees—instead of the entire commission, according to the Secretary of State's written statement of a couple of weeks ago, receiving representations from every member of the public who wishes to be heard?

Hazel Blears: As I expected, the right hon. Gentleman made a genuine and practical point. When he has a chance to examine the Bill in detail, he will realise that it includes provisions that set out exactly how the panel will operate.

In some circumstances there will be a panel of three to five commissioners who will consider applications, because some of those 45 applications will relate to energy, some to aviation and some to ports and harbours. We will want people on that commission with a degree of expertise and knowledge that is specific to an application. We anticipate that probably only 30 of the 45 applications will be major applications and that the other 15 will be ancillary to those applications, so some could be considered by a single commissioner reporting back to the council of the commission. That is all in the Bill, however, if the right hon. Gentleman has a chance to look at it.

Bob Spink (Castle Point) (Con): Will the Secretary of State give way?

Hazel Blears: I am going to make a little more progress, because I am conscious of the time and other hon. Members will want to get in. I want to say a little about town and country planning, because the Bill has a bit about that in it. I think that we are up to about 1970—I feel a bit like Gene Hunt in "Life on Mars"—but I promise that we will get there. *[Interruption.]* It is one of my favourite shows.

The changes to town and country planning seek to make it fairer, more proportionate and greener. They will also devolve more power to the local level, which is something close to my heart. The changes are part of the widespread continuing improvement to the planning system. First, we propose the community infrastructure levy in part 10, which will increase investment in the vital infrastructure that is needed for many new communities, which hon. Members have already mentioned. The levy has the potential to raise hundreds of millions of pounds of additional investment, on top of current Government funding and the section 106 negotiated agreements. It is for local authorities to decide what community infrastructure is needed, which could relate to transport, new schools, parks or health centres. It is absolutely right that local developers contribute to the cost of that infrastructure and that local communities benefit from the increase in land value when permission is granted.

Mr. Mark Hoban (Fareham) (Con): Some 13,000 houses are expected to be built in my constituency over the next 20 years. That will generate huge demand for infrastructure, with a significant amount from the levy. Will the Secretary of State assure my constituents that money raised in Fareham will be spent there and that priorities will be determined locally, not nationally or regionally?

Hazel Blears: Yes, I can certainly reassure the hon. Gentleman that the levy will be determined by the local authority. The levy is there to fund the necessary infrastructure for that community. Some of that infrastructure—a road, for example—might go beyond the boundary of the local authority. It might therefore be necessary for some of the moneys raised from the levy to contribute to some wider infrastructure, and the Bill makes provision for that. The levy is very much a devolutionary measure, in that it is for local authorities to determine, in order to get infrastructure in the right place. I was pleased by the letter issued today by the British Property Federation, which indicated the widespread positive consensus for the levy across a range of bodies, including the Local Government Association.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab) *rose*—

Mr. Henry Bellingham (North-West Norfolk) (Con) *rose*—

Anne Main (St. Albans) (Con) *rose*—

Hazel Blears: That appears to have been quite provocative. I give way to my hon. Friend.

Mr. Betts: I am sure that my right hon. Friend will accept that there is general support for the approach of the levy, but so far we have only 10 clauses in the Bill that merely sketch the outline of the complicated system that will ultimately be introduced. Will the Government table more detailed amendments during the Bill's passage through Parliament to flesh the system out, or is all that likely to be left for secondary legislation? If so, can we in the House and those outside be assured of full consultation on the important details needed to ensure that the levy works properly?

Hazel Blears: Yes, my hon. Friend is right. What we have in the Bill is the architecture for the scheme. We have committed to issuing regulations that will fill out the detail. I assure him that we shall provide more detail as the Bill goes through, too, because it is important that the system, which will beneficial for communities, can work properly, and is practical and feasible. I am sure that my hon. Friend will want to pursue that as the Bill goes through.

Mr. Bellingham: Before the right hon. Lady moves on—

Anne Main *rose*—

Hazel Blears: I give way to the hon. Lady.

Anne Main: I thank the Secretary of State for giving way. May I take her back a sentence or two, when she said that the funding would go back to the community? In a sitting of the Select Committee on Communities and Local Government, there seemed to be some vagueness about whether, as I understood it, the funding would go into a central pot and then be reallocated back. Is that correct, or does the funding stay immediately local, without being taken into a central pot?

Hazel Blears: The hon. Lady may be aware that there were proposals for a planning gain supplement, which is different from the community infrastructure levy, so things have moved on since then. I want to be clear to the House that the assurance that I gave the hon. Member for Fareham (Mr. Hoban) was that the levy is there to fund the infrastructure in local communities, but that some of that infrastructure could well have wider implications, making it necessary for something wider than a particular community, and I would not want the House to be under any other impression. It is for local authorities to make determinations in that way.

Mr. Bellingham *rose*—

Hazel Blears: I cannot resist the hon. Gentleman.

Mr. Bellingham: I am very grateful to the Secretary of State for giving way. Further to the excellent intervention by my hon. Friend the Member for Fareham (Mr. Hoban), she pointed out that some of the money might be top-sliced. Will she confirm that, if a levy were to be raised in Norfolk, that money would stay within the county of Norfolk, if not in the specific district involved, and not go outside the area?

Hazel Blears: All hon. Members will want to see something for the money that has been raised. I am trying to give them the assurance that this money is there for the much-needed infrastructure in such areas, although it might go a little wider than that. We shall certainly set out further details as we develop the Bill, but the intention is very much to ensure that the health centres, parks and other facilities that make life worth living in a community can be properly funded.

Mr. Eric Pickles (Brentwood and Ongar) (Con): The Secretary of State is being extremely generous in giving way, but these points are of immense importance and her answering them might save a lot of time later on. It is clear from the Local Government Association briefing on the community infrastructure levy that an element of the levy would be assigned to regional and sub-regional projects. Is she saying that she has now retreated from that view?

Hazel Blears: No. If the hon. Gentleman has the opportunity to read the record of this debate, he will see that I have tried to give the House reassurance and to be straightforward about this matter. The levy is intended to fund the requirements of developing communities, but some of it might well go wider than the particular area involved. As we develop the proposals for the levy, we will make that as clear as we possibly can, so that people are under no misconceptions. The purpose of the fund will primarily be to ensure that we fund the infrastructure for which Opposition Members have been calling for a considerable period. I hope that they will therefore welcome the levy, as most other people have done.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): May I help my right hon. Friend with a practical example from Milton Keynes? Junction 13 of the M1 is hugely important for supporting infrastructure and for the growth of housing in Milton Keynes, but it is not in Milton Keynes. Indeed, it is not even in Buckinghamshire; it is in Bedfordshire. It is, however, an infrastructure scheme that could have huge benefits for Milton Keynes, and it would be perverse if such a scheme could not be funded by such an infrastructure levy.

Hazel Blears: I am grateful to my hon. Friend. I know that Milton Keynes has been one of the forerunners in developing effective section 106 agreements to ensure that infrastructure can be funded. I am sure that we have a great deal to learn from my hon. Friend and from her constituents.

Mr. David Kidney (Stafford) (Lab): Will my right hon. Friend give way?

Hazel Blears: I will give way, but then I must get on.

Mr. Kidney: I am grateful to my right hon. Friend. She has spoken about the potential for a greener approach through the reforms. Part of the legislation relates to tree protection. Is she aware of the fact that some of the finest trees in the country still have no protection? Is she planning to widen the protection through the reforms, or simply to devolve the present inadequate protections to local authorities?

Hazel Blears: My hon. Friend will know that the Bill contains a number of provisions on tree preservation orders. He will probably agree that the whole system of tree preservation orders is at present unnecessarily complex and bureaucratic, and very difficult to understand. There will certainly be no less protection for trees under the proposed system. As the Bill goes through, perhaps he will be able to bring his considerable tree expertise to these problems, so that we can make some progress on the matter.

Sir Paul Beresford: Will the Secretary of State give way?

Hazel Blears: I want to make a little more progress, as I know that many hon. Members want to speak in the debate and I do not want to squeeze them out.

On town and country planning, I want to mention a couple of areas in which we are going to make changes. They are minor issues in the context of the Bill, but they are actually very important. We are going to make it easier for families to extend their homes. Planning permission under permitted development will be there in certain fairly constrained circumstances. We are trying to minimise the impact of extensions on other people's enjoyment of their own property. Planning permission will not be required for small-scale extensions and conservatories. At the moment, 80,000 applications go through without any objection each year, and we want to free up the planning system to concentrate on applications that will cause a problem, rather than on the 80,000 that do not. Through secondary legislation, we will allow householders to install small-scale renewable technologies such as solar panels and wind turbines without planning permission, where it is clear there will be little or no impact on neighbours. I hope that that will be broadly welcomed across the House.

The final aspect here—something that I know my hon. Friends hold very dear—is that there will be a requirement for local councils to take action on climate change when preparing their local development plans. Some people have portrayed the Bill as being anti-environment, but a whole range of measures in it seek to enhance our attitude towards climate change and ensure that local government and local planning authorities put it at the centre of their concerns.

Dr. Alan Whitehead (Southampton, Test) (Lab): My right hon. Friend mentions the question of local authority permissions for renewable devices on roofs. As the Bill makes its way through the House, will she ensure that that permission is genuinely widely based and is not constrained by various considerations such as the nature of the protection of the particular zone that a house is in or the way in which the house relates to other properties in the area? Will she ensure that there is a genuinely clear definition that enables renewable devices to be placed on houses without hindrance by local authorities on a variable basis across the country?

Hazel Blears: My hon. Friend makes an important point. As the Bill proceeds, we want to ensure that we enable people, wherever possible, to install not just solar panels and wind turbines, but a range of fairly small-scale technologies that can contribute to this agenda. It is very important indeed that we do that. We have to be aware of noise and its impact on neighbours, but by using accredited products, ensuring that we get those that are recognised to be the best and introducing a new helpline for householders to get the right products, I believe that we can make significant progress. In fact, the Department for Business, Enterprise and Regulatory Reform has estimated that about 250,000 households will want to take up such technology in the years to come. I hope that we see an expansion of such use.

Several hon. Members *rose*—

Hazel Blears: I want to get through more of my speech, if hon. Gentlemen do not mind.

It is important to realise that we consulted on all these proposals in the summer and had 32,000 responses. In fact, we have changed our policy in three areas as a result. We sometimes hear complaints that the Government ride roughshod over consultees, but I can tell my hon. Friends that I took the decision to change the policy in advance of the Bill rather than waiting for concessions to be dragged out of us. That is absolutely the right thing to do. As I say, we have changed the Bill in three areas and, I think, very much for the better.

First, on participation, we have changed the original policy so that people will have more than one chance to get involved. They will now have three chances in the new system and there will be a transparent debate in public—and in Parliament, which is crucial to the House. We have also listened to the consultation and taken steps to ensure that every party has a right to be heard orally, both at the examination stage of the inquiry and where the commission decides to probe a specific issue. Provided that people have registered the fact that they want to give their information and evidence, they will be entitled to do so.

Secondly, on sustainable development, many consultees said that they were worried that the Bill might emphasise economic objectives at the expense of the environment. Now, however, the Bill provides for a duty to ensure that national policy statements contribute to sustainable development. I hope that that will reassure people who are concerned about the environment that we are very serious about sustainability. As I say, the Bill will ensure that many of our new technologies to enable sustainability can get through the planning system quicker than they can now. Presently, many applications are being held up—literally for years—before they come through the system.

Thirdly, the Bill will now, in my view, deliver proper accountability. I know that many of my hon. Friends, including my right hon. Friend the Member for Streatham (Keith Hill), have been particularly concerned about accountability. I hope that as the Bill progresses, I will be able to persuade him and others whose opinions I genuinely respect that there will now be stronger accountability under the Bill than in the previous system. I look forward to having that debate.

John Robertson (Glasgow, North-West) (Lab): My right hon. Friend was talking about planning permission. Where there is more than one type of equipment that may need to go through the planning system, will exactly the same piece of equipment require a different planning permission to be granted in each area or will one planning permission for that device suffice for every area in the country?

Hazel Blears: Is my hon. Friend referring to permitted development for solar panels and wind turbines?

John Robertson: I mean anything to do with energy.

Hazel Blears: The Bill provides that planning permission for things such as wind turbines and solar panels will not be required, provided that we get the system right and it does not impact on neighbours. It will enable people to embrace this method of tackling climate change in a big way and not require planning permission.

Several hon. Members *rose*—

Hazel Blears: I shall give way again to my hon. Friend the Member for Glasgow, North-West (John Robertson), as I was not entirely sure of the point that he was making.

John Robertson: My right hon. Friend has hit on one area that I was talking about. The other was nuclear power. If it came about that a company was going to build two or three nuclear power stations, would it need planning permission for each type or would one planning permission be needed for the whole range?

Hazel Blears: I am clearer about my hon. Friend's question. In the national policy statement phase, there would be a debate on what was the nation's need for nuclear power. Some of that debate might be specific to locations and it might say that it would be likely that certain places were suitable for nuclear power, but every application would then need to go to the commission to be considered. The commission would weigh the local impact against the national interest and have the opportunity to involve the public so that they could have their say. I can give my hon. Friend what is, I hope, the assurance he is looking for: those things will be inquired into in great depth and great detail.

Stewart Hosie (Dundee, East) (SNP): The Secretary of State is being generous in giving way. Following that exchange, can she confirm that, in terms of nuclear power and the specifics on renewables technologies, what she has said will not apply to Scotland? Indeed, the Bill's only application to Scotland is the construction of cross-country oil and gas pipelines. In relation to clause 187(3), does that extension require a consent to legislate motion from the Scottish Parliament?

Hazel Blears: As the hon. Gentleman is aware, planning decisions in Scotland are devolved, and there is no intention to change the devolution settlement through the Bill. However, he is also aware that some matters, such as aviation and energy, are reserved. We cannot have designated national policy statements because Scotland will not have the planning commission, but there will be national policy statements around those reserved areas. Clearly, when individual decisions are being made in Scotland on those big issues, some national policy statements might be considered as material considerations in those decisions. The hon. Gentleman can be reassured that this is not an attempt to change the devolution settlement in those terms. I understand that cross-border pipelines would not require a legislative motion, but no doubt we will continue to discuss those issues as the Bill goes through Parliament. I hope that that gives him reassurance.

I have spoken for far too long, but I should say a word about accountability, which I know has greatly exercised my hon. Friends. Ministers will take the political decisions when we do the national policy statement and the commission will take the individual decisions, but it will have to do so on the basis of the political decisions reached by Parliament and, indeed, by the Government.

Finally, it would be remiss of me not to say that the Bill is also about efficiency. We think that it will enable us to save a considerable amount of money. Instead of every local inquiry rehearsing all the arguments, that debate will take place at the national policy statement stage. We think that the Bill could deliver benefits of nearly £5 billion by 2030, as well as getting the proper long-term decisions in the interests of the country. That is why we think it is a good Bill.

Our planning regime needs to be fit for the 21st century. Going back to the 1947 Bill, Hugh Dalton closed the debate on Second Reading by saying:

> "We could do great things with this land of ours, if we chose. I believe the Bill gives us the instrument with which we can do these great things."—[*Official Report*, 30 January 1947; Vol. 432, c. 1232-33.]

We have listened to the people who responded to our consultation, and today's Bill will provide for a fairer and faster planning system—one that delivers for the economy and the environment, and that gives everyone a fair chance to have their say. Those are indeed great things, and I commend the Bill to the House.

4.19 pm

Mr. Eric Pickles (Brentwood and Ongar) (Con): I beg to move, To leave out from "That" to the end of the Question, and add instead thereof:

> that this House declines to give a Second Reading to the Planning Bill because, whilst there is a need to speed up the planning system and undo the extra bureaucracy introduced in the 2004 Act, the Bill creates a new Infrastructure Planning Commission (IPC) which is fundamentally undemocratic and unaccountable to both local and national elected representatives, deprives Parliament of the ability to approve, amend or reject National Planning Statements and fails to guarantee that all

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> revenues from the Community Infrastructure Levy will be fully retained by local authorities; and because the combination of the IPC, the Homes and Communities Agency and more powerful regional development agencies represents the systematic dismantling of local democracy to the detriment of the local environment and local accountability.

As always, it is a pleasure to follow the Secretary of State for Communities and Local Government. I was a little concerned about her well-being throughout the process. It might have been a bit provocative to suggest that the opening speech in 1947 went on for two hours. I feared that Labour Members were going to keep her here answering questions for that long. I noted the references to Napoleon. I hope that the Bill is not her Waterloo. If that is the case, perhaps a statement on the extension of the runway at St. Helena would mean that it is ready in time for her eventual exile there.

The right hon. Lady speaks with great expertise on the subject. She had a distinguished record as a local authority solicitor dealing in the planning process, among other things. Her practical experience of planning is welcome. Time spent with Salford city council, Rossendale borough council and Wigan metropolitan borough council will have given her valuable experience of the many failings of the current system, not to mention her intimate knowledge of the many additional flaws introduced by the Government in recent years. It is therefore all the more puzzling that her journey from Wigan pier has transmogrified into a canter down the yellow brick road. How did we go from a noble intention to improve the delivery of essential infrastructure for this country to a Bill that strips local communities of a voice on planning, and fails to address the burdens and the obstacles in the planning system created by her Government?

It is only three years since the last planning Bill. In the words of the then Minister, the aims of that Bill were:

> "We want to make the system fairer, faster and more predictable and to bring to planning clarity, certainty and more strategic direction."—[*Official Report*, 17 December 2002; Vol. 396, c. 731.]

That could well have been taken from the right hon. Lady's speech today. However, just a few months on from those words, and without the measures being fully implemented, we are off again. She knows the planning system and must know in her heart that this Bill is not the answer to the problem.

In a press release, the right hon. Lady said that the Bill is

> "to deliver a faster and more efficient planning"

process. She went on to say that the Bill is

> "to deliver high quality decisions with greater community involvement."

The only way in which she can achieve greater community involvement through the Bill is to arrange for representatives of the public collectively to wave goodbye to local accountability and their ancient right of a hearing while they watch a more powerful and unsackable quango take the lot. The Bill gives communities the same amount of involvement in planning as there is openness in a cheque from one of Mr. Abrahams' patsies.

With the right hon. Lady's expertise, she must surely question the Bill when the coalition of environmental groups that oppose it says:

> "The current planning system allows people to be part of the decision making process. They can have their say on proposals for major developments such as new roads or nuclear power stations. But…Planning decisions will also be taken out of the hands of accountable politicians and handed over to an unelected, unaccountable new body".

Bob Spink: May I add this quote from the Campaign to Protect Rural England? It says:

> "We remain deeply concerned, however, that these proposals will cause environmental damage and diminish the involvement of individuals and communities in the planning system".

Mr. Pickles: I agree with that and thought about using the quote in my speech. I obviously agree with my hon. Friend in quoting it.

The reason why we do not oppose the Bill outright but propose a reasoned amendment is because we want to take the best out of the Bill and build on the strengths of the existing and familiar system. We want to work constructively with the right hon. Lady to develop a system that will meet the needs of the country and help the economy to grow.

Let me start with what we agree with. We support the idea of national policy statements. We feel strongly that Parliament must have responsibility for devising and testing those vital statements. Matters of vital national importance, such as airports, nuclear power stations, other types of power stations, the disposal of waste plants and major transport links, should be decided by the House.

In making such decisions, we must recognise that we are removing some of the public's right of argument and delay. The public may take that removal better if Parliament oversees the process, rather than the Government or an agency on their behalf. Some will say "What is the difference? A Government with a good majority can get just about anything they want", but I think that there is an important difference. In my experience of this place—admittedly it is only 16 years or so—when we are given a real scrutiny role we take it seriously, and in Committee we will table amendments to strengthen parliamentary scrutiny.

Paul Farrelly: Will the hon. Gentleman clear up a small matter of curiosity? He said that the Opposition did not oppose the Bill outright, but the amendment states:

> "That this House declines to give a Second Reading to the Planning Bill".

Mr. Pickles: That is how a reasoned amendment is worded. I am sure that, if the hon. Gentleman would like further instruction, the Table Office will be able to take him through the basic procedures. There is also a very good paperback called "How Parliament Works". Christmas is coming, and I dare say other Members will want to play Santa and offer it to the hon. Gentleman.

Emily Thornberry: Perhaps the hon. Gentleman will take the opportunity to patronise me as well. Given that the Opposition do not oppose the Bill outright, will there be a vote this evening?

Mr. Pickles: If I did patronise the hon. Lady, I should be amazed if she noticed. However, I thank her for her intervention.

Much of the debate is overshadowed by the public inquiry on terminal 5. There have been attempts to contrast that project with major infrastructure projects in other lands which, it is said, can be built and developed many times faster, but we are in danger of taking the wrong messages from the terminal 5 inquiry. It is not the system itself that is at fault, but a lack of precision that allows inquiries to wander off on matters beyond location and planning rules.

An interesting "compare and contrast" exercise can be applied to the terminal 5 inquiry, conducted under the old rules, and the Stansted inquiry, conducted under the Planning and Compulsory Purchase Act 2004. Whatever the merits of the case, there can be no doubt that Stansted has made better progress, and that the new rules are an improvement. Given an effective and trusted framework of national policy statements and sensible pre-inquiry hearings to decide the major points at issue, the number of witnesses and the timetable, there is no reason why a reformed system should not resolve matters quickly.

Mr. Cash: My hon. Friend will have observed that the Secretary of State referred to consultation and the like. Does it worry him that although clauses 7 and 8 provide for consultation, it will be only

> "as the Secretary of State thinks appropriate in relation to the proposal"?

Given the legal context and the fact that that is challengeable only by judicial review, will it not be extremely difficult to set up a case for such a review if the Secretary of State is allowed to make up her own mind on exactly what its parameters should be?

Mr. Pickles: As my hon. Friend is a man of considerable expertise, I hesitate to disagree with him. I therefore agree with everything that he has said. Indeed, the problem goes deeper. Clauses 82 to 85 are rather at variance with what the Secretary of State said about the right to be heard—a point that I will develop later in my speech.

Paul Farrelly: Will the hon. Gentleman give way once more?

Mr. Pickles: Of course.

Paul Farrelly: I thank the hon. Gentleman for indulging me. I ask this question because, over Christmas or at any other time, I will not be able to find the answer in the paperback guide to Parliament that he mentioned.

My hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry) asked whether there would be a vote tonight. Was the hon. Gentleman's answer yes or no?

Mr. Pickles: The answer is the same as the answer to the question of what the hon. Gentleman will get for Christmas: wait and see.

We will seek to persuade the Government, even at this late stage, to rethink their method of delivering planning policy. Planning must always include a strong element of public accountability. The Secretary of State intends to establish an infrastructure planning commission, a new Government quango that will strip local authorities of their say on planning applications for airports, power stations, motorways, ports, gas and hazardous waste storage facilities, incinerators and sewage treatment plants.

One might imagine local communities having a view upon all such things.

The new planning quango will be effectively unsackable and unaccountable. Its functions will include the ability to purchase land compulsorily and

> "powers to amend, apply or disapply local and public legislation governing infrastructure."

To give such wide-ranging powers without making those involved equally accountable is dangerous.

John Robertson: I wonder if I might tweak the hon. Gentleman's memory and take him back to the Planning Act 1990, introduced by his own party, which allowed the Secretary of State to call in any planning application. The Secretary of State had sole discretion to decide what would happen. Does he agree that what my right hon. Friend is proposing is slightly better than leaving it to one person to make that decision?

Mr. Pickles: I am sure that the hon. Gentleman was paying attention when I said that the national policy statements will go a long way towards dealing with the problem, which is why we support that good innovation.

In his first few days, the Prime Minister made much of his desire to strengthen democracy, yet this proposal, which is a centralising move that takes decision making and the right to oppose a project away from local people, is a move in the opposite direction. The Prime Minister also made clear his commitment to the green belt. Over the summer he was keen to say:

> "I assure the House that we will continue robustly to protect the land designated as green belt."—[*Official Report*, 11 July 2007; Vol. 462, c. 1450.]

At a Lobby briefing, the Prime Minister's spokesman clarified what was meant by that, saying:

> "Green belt land will stay as green belt land. Yes, we can give you that assurance that we will not build on green belt land. We are not proposing any changes to our very robust protection of the green belt."

Yet the Bill gives the IPC powers to reclassify green belt land; so much for a firm commitment. This one did not even make it to yuletide.

Bob Spink: Does my hon. Friend share my concern that there is nothing in the Bill to ensure that all brown land is used before any green belt land is released, particularly in the Thames Gateway?

Mr. Pickles: My hon. Friend makes a reasoned point. Building on green belt is often less expensive than building on a brownfield site.

The power now goes to the IPC. The Government's response to any planning problem is to exclude people and hand the job over to a quango. In truth, the proposals will introduce an unnecessary, unfair and less effective extra raft into the planning system. The quality of decision making will be markedly worse and those parts of the community most affected by the proposals will be deliberately marginalised and minimised.

The existing system could be built upon and improved. The planning inspectorate is capable of reform. Why

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cannot it carry out the job instead of the commission, rather than establishing a new body? On the surface, they look very familiar.

Mr. Betts: The hon. Gentleman keeps repeating the assertion that the public are to be excluded from the process altogether. Does he not accept what the Secretary of State has said; that where the public object, they will have a right to be heard at the inquiry and have their views taken into account? I am sure he has read the Bill and will have seen that chapter 2 has a pre-application procedure that will impose a duty on the applicant to consult, including with the local community before the decision even reaches the inquiry stage?

Mr. Pickles: If the hon. Gentleman will forgive me, I will come on to that point but he is actually wrong about it. If we are successful with amendments in Committee, we will support the hon. Gentleman's position.

Dr. Whitehead: It is my understanding that the Planning Bill will institute a single permission regime—I think that the hon. Gentleman is in favour of that—and there will be a single marine permission arrangement under the marine Bill when it is introduced; the two will be joined together. Given that, will he speculate on what the outcome would have been for the London Array project had the new Planning Bill been in place, where a single Conservative local authority held up for almost two years a renewable energy scheme able to power the whole of Kent as a result of a very particular objection that did not relate to the scheme as a whole?

Mr. Pickles: I am so sorry that the hon. Gentleman seeks to make this matter partisan. I confess that I have perhaps made the odd jibe at the Prime Minister and generally across the Floor of the House, but our intention is genuinely to arrive at consensus and to work together. We are supportive of the national statements, and we shall seek in Committee to arrive at agreement on some of the points on which there is broad cross-party consensus. The hon. Gentleman should be encouraging me in that, not trying to set traps for me.

Under the Secretary of State's plans, responsibility for regional planning will be transferred from the unelected—and universally detested—regional assemblies to the also unelected regional development agencies. The Secretary of State surely must be able to see that this latest game of musical chairs—of passing functions from one regional quango to another—will do nothing to give local communities a greater say or to speed up the planning system. If she wants to make a difference, the first step should be to scrap the whole tier of regional planning which, on top of local and national planning policies, has created a quagmire of red tape and complexity. Responsibility should be given back to counties and the co-operating metropolitan authorities. It is clear that they are the only bodies that know what they are doing and that they are the building blocks of the system.

The Bill shifts the balance in the planning system against individuals and in favour of the state. Under the Bill, an individual householder, business man, farmer or local resident will be prevented by law from presenting a case in objection to a scheme relating to the compulsory acquisition of their land, or from being represented by a person of his or her choice. By law, all representations will have to be in writing—thereby preventing oral representations in person—however badly affected a landowner, resident or business may be. This will work against the little guy—the ordinary person in the street. By law, no questioning or testing of the promoter's scheme by any person, body or individual is to be permitted. Common law has recognised since the middle ages that land should not be taken from an individual without due process, including the right to be heard. Of course, it would be speedier if the powerless were ignored, but this House is built on the protection of the property rights of the individual from the state, be it a Stuart monarch or an ambitious Minister.

The Bill is also careless in invoking the criminal law. Clause 130 makes it a criminal offence to commence development without a consent order. That appears very heavy handed in the context of clause 127, which states that development commences with "any material operation", including digging a trench or even putting in pegs to lay out a road. As I am about to have to cough, I shall give way.

Mr. Robert Syms (Poole) (Con): I was a little concerned that the Secretary of State talked about more freedoms but did not mention conservation areas. There is great concern in my area—it is particularly held by those who live in conservation areas—about some of the new freedoms. Will my hon. Friend comment on where we stand on the protection of conservation areas, which are so dear to our constituents' hearts?

Mr. Pickles: Clearly, conservation areas must be protected. I thank my hon. Friend for giving me an opportunity to clear my throat. I am recovering from a very bad cold, but it is a pleasure to be here. *[Interruption.]* Thank you. *[Interruption.]* I feel the love coming across from the Labour Benches.

If we were to end up with a situation where merely the pegging out of some ropes could create a criminal offence, that would be a clunking fist too far in terms of our legal system.

Clauses 47 and 133 entrench the powers of the state to enter private property without warrant. Does that not pre-empt and make a mockery of the reviews of powers of entry introduced by the Prime Minister in his October speech on liberty? As a legacy of the past Governments of all colours, 266 laws already allow state officials to enter people's houses. Is it not time that we started to rein back on those powers rather than gold-plate them?

We are pleased that the Government have dropped their discredited plans for a planning gain supplement. The Secretary of State has our support in wanting to reform the section 106 system on planning gain. If used correctly, it would help to energise and regenerate towns and cities throughout the country, but it will not have the support and confidence of local people and local businesses if the money generated is sucked away to a regional pot and is used to the benefit of people hundreds of miles away. Will she make a commitment that all revenue from the community infrastructure levy will be retained by local councils so that local people can receive the benefits of new building? It should not just be a slush fund to feed Government friends across the country. It must be about community improvements delivered locally, not a stealth tax.

That brings me to two constitutional issues on which I seek clarification. Clause 164 will allow both the unelected regional development agencies and the unelected infrastructure planning commission to become charging authorities and to levy this new planning tax. This is the first time that a quango has been given tax-raising powers. Clause 169 makes it a criminal offence, not a civil one, if one cannot or will not pay. Is this not the modern equivalent of ship money: additional taxation imposed by an unelected body on pain of criminal punishment? A cursory glance at the murals on the walls between this Chamber and the other place would testify why our forebears were willing to lay down their lives to defend their principles. The provision in the Bill corrodes the cast-iron constitutional principle in the Bill of Rights of freedom from taxation by royal prerogative. As ship money goes, this is a modest flotilla, but it is a worrying trend. It is a further step down the road of local management of services, rather than the democratic delivery of services.

Alistair Burt (North-East Bedfordshire) (Con): What is in your wallet—a clunking fist?

Mr. Pickles: My hon. Friend is very excitable, God bless him.

We were concerned about these constitutional changes, so we sought advice from leading counsel who are experts on planning law. I must say to the Secretary of State that I was heartened by what she said about Scotland, but the construction of the clauses does not deliver what she told us at the Dispatch Box. Obviously, we shall be very co-operative in trying to amend it.

The Bill appears to hand the decision-making process entirely to the Scottish Parliament and Executive, even though the Bill at first sight purports to apply to the whole of the UK. That might be a very reasonable thing to do, but why is it happening so quietly? There are clear implications for nuclear power. Will England have to build additional power stations to compensate for the eventual non-replacement of the Scottish ones? Will national infrastructure projects end at the Scottish border? We must know whether the Scottish Parliament and Executive could set wholly different time scales and limits—or none at all—in relation to these matters.

Stewart Hosie: There might be a slightly more worrying problem than the one that the hon. Gentleman has identified of the Scottish Government having responsibility for these matters. On the commission's role in relation to oil and gas pipelines, part 5 would apply under clause 187(2), and in certain circumstances, that unelected commission might be able to make decisions on oil and gas pipelines in Scotland, usurping the original, existing planning authorities in Scotland and the Scottish Government. I read that as a more worrying concern than the one that he has identified.

Mr. Pickles: I draw the hon. Gentleman's attention to clause 187(1)(b), which states that only clauses 13 and 17 will apply to Scotland. We just wanted some clarification, and in terms of national infrastructure it makes a lot of sense for the Government and the Scottish Executive to work together sensibly. We would not want the Bill to hamper that process rather than aid it.

Some people would describe the current situation as failing, cumbersome, outdated, bureaucratic and desperately in need of change. But in this season of goodwill, it seems a tad uncharitable to describe our beloved Prime Minister that way. Our planning system needs modernisation and reform, not destroying.

Several hon. Members *rose*—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the House that the 15-minute limit on speeches by Back Benchers operates from now.

4.46 pm

Keith Hill (Streatham) (Lab): Whatever else one might say about the Bill, no one can challenge its scope and ambition. It ranges, in its potential application, from airport terminals to conservatories, from nuclear power stations and wind farms to microgenerators. To that extent, it reflects the scope of the White Paper on which it is based, which ranged even more explicitly from global issues of climate change to the minutiae of permitted development—referred to glancingly in clause 155, which I mention now to justify dwelling on it at some length later in my remarks.

Before I reach that point, I wish to say a few words about the bigger issues in the Bill, including the proposals for an infrastructure planning commission and national policy statements. First and foremost, I welcome the Bill, and there is far more to welcome than to regret. I welcome the NPS and the new single planning regime for major infrastructure projects. It is sensible to unify the legislation affecting such projects so that once they have the go-ahead under development consent arrangement, they will not need further consents or approvals under other legislation. That is a straightforward rationalisation and modernisation.

I also welcome the proposals for timetabling the decision-making process in major infrastructure projects and the proposals for improving the quality of applications by developers. As the statistics show, flawed applications are a powerful cause of delay in such projects. I also admire the new and apparently tough enforcement regime for major projects. I hope that it will provide a model and inspiration for local enforcement, which is, as we all know, the Cinderella of the local planning system.

On the subject of local planning, I welcome the community infrastructure levy, which is making a somewhat surprise appearance in the Bill. It is not a million miles from the concept of planning contributions in section 46 of that seminal measure, the Planning and Compulsory Purchase Act 2004—I shall leave hon. Members to guess which Planning Minister took it through the House. It just goes to show that you cannot keep a good idea down. It is a good idea that the local community should benefit from planning gain. That community bears the brunt of the development, so it makes sense that it should be the primary beneficiaries. Section 106 has served its purpose, but it did not apply across the board to all developments, its operation was often arbitrary and ad

[Keith Hill]

hoc, and its mysteries—for obvious reasons—were better understood by developers than by local authorities, which were often taken to the cleaners as a consequence. By contrast, the community infrastructure levy will strengthen the position of local authorities, because it will be a standard, transparent and across-the-board charge that applies also to minor developments. From the developer's viewpoint, it will have the advantage of conferring certainty about costs as they approach development opportunities.

While I am still on the subject of the local scene, let me finally welcome the proposal for local member review bodies and the proposed article 4 changes, about which I will say a little more in due course. Local member review bodies seem an excellent idea. There is no doubt but that the present local appeals system imposes an unreasonable burden on the inspectorate. At the same time, the proposal responds to a real public concern about the accountability of local planning officers under the delegated powers system. We must make sure that works.

After so many welcomes, there is almost bound to be a "but"—and there is. But first, I am certainly not alone in welcoming the proposal for national policy statements. I was pleased to hear that welcome expressed on the other side of the House. The welcome has been general, and rightly so, for two reasons. First, the element of parliamentary scrutiny in the drawing up of the national policy statements, however that is managed, will serve to democratise the planning process on big national projects. Secondly, because Parliament will have expressed its will on behalf of the people, the national policy statements system must have the effect of speeding up inquiries on those projects.

It is ludicrous and unacceptable that a number of local inspectors' inquiries should have become forums for debate about national policy. It is ludicrous and unacceptable that those inquiries have been protracted for months, if not years, by endless representations on the desirability or otherwise of proposed developments in principle. In future, under the national policy statements system, Parliament will decide whether we are going to have new nuclear reactors, and more airports, roads and railways. If the usual suspects disagree, instead of abusing the planning process, they can fight a general election on their policies. They can put up or shut up: that is the democratic way.

But—I said that there was a "but"—it has also been our democratic way to have democratically elected politicians, in the form of Ministers, make the final decision on the biggest and most contentious planning issues. I wonder how we have got to the independent infrastructure planning commission. I have looked at Kate Barker's final report on land-use planning. Her third most important reason for advocating such an independent body is the slowness of Ministers in making planning decisions.

Members will be aware that the House approves a statutory timetable within which Ministers and officials at the Department for Communities and Local Government must issue their decision on planning appeals and called-in planning applications. The latest statistics, for 2006-07, published in the planning inspectorate's annual report, show that Parliament's target was narrowly missed—at 99.5 per cent—due to not meeting the deadline in one case out of 100. My right hon. and hon. Friends on the Front Bench deserve the warm congratulations of the House on that splendid record.

That reinforces the rather unsubstantial basis for the recommendation for an independent commission. Nevertheless, we are where we are and some will argue that there is a kind of democratic deficit. I do not want to overstate this point, because my right hon. Friend the Secretary of State was absolutely right when she argued that Planning Ministers, in their quasi-judicial capacity, have been accountable to the courts, rather than Parliament, in making their decisions. However, the truth is that, within the law, all decisions involve a balance of judgments. I believe that it is better that that balance of judgment be exercised by those who are accountable to the public. If that is right, it has implications for the balance of the relationship between the national policy statements and the infrastructure planning commission. I was somewhat reassured by my right hon. Friend's remarks. The national policy statements must be as comprehensive and as well grounded in consultation as possible. It is absolutely essential that Parliament, via its scrutiny function, forms the judgment in the national policy statements on the balance among considerations of sustainability, climate change and economics in major infrastructure projects. In particular, national policy statements submitted to Parliament must identify the location of developments as specifically as possible. It would be quite unacceptable for the IPC unilaterally to make such critical decisions. The Government and Parliament must shoulder that responsibility.

Part of a national policy statement must be formed on the basis of thorough consultation with local communities, and clause 5(5) allows that to be done. In the relationship between NPSs and the IPC, the purpose should be to maximise what is democratically accountable and to minimise what is not—to maximise the national policy statement and minimise the IPC.

I turn rapidly from the national to the local, and from the general to the very particular. Clause 155 provides for the removal of the right to compensation when notice has been given of the withdrawal of planning permission. In line with the Government's response to the consultation on permitted development rights for householders, which was published at the same time as the Bill, the clause paves the way for a new power for local authorities to restrict, when necessary, permitted development rights through the use of article 4 directions, without recourse to the Secretary of State. I congratulate Ministers on the subtlety with which they have dealt with permitted development. In principle, the Government are surely right to wish to reduce both the bureaucracy faced by householders making minor extensions to their homes, and the burden of casework on hard-pressed local planners. The proposed dimensions and limits for extensions look sensible. People in my constituency in Lambeth, south London, will especially welcome the new rules on setting back loft extensions from the eaves, and the ban on raised terraces, verandas and balconies.

More importantly, the Government have recognised that the question of permitted development poses itself very differently in different locations. In most parts of the country, householder permitted development might well be just what it says: householders legitimately creating more space in homes that will continue to be used as single dwelling houses. However, in my borough of Lambeth—and extensively throughout London as a whole—much of that type of development is carried out not by householders, but by commercial developers, who are abusing permitted development as a platform for the over-intensive subdivision of family houses into flats.

Mr. John Leech (Manchester, Withington) (LD): I agree with the right hon. Gentleman's points. In my part of the country, we have the problem that student landlords are converting houses with permitted development rights to cram in lots of students, thus completely altering the area's nature. If we remove the need for planning permission in more circumstances, more student landlords will convert houses into student accommodation and create houses in multiple occupation by the back door.

Keith Hill: I certainly recognise the problem that the hon. Gentleman identifies. Indeed, I dealt with it extensively when I was Planning Minister. We established a joint working party between Universities UK and the Local Government Association two or three years ago precisely to examine the way in which the issue could be managed. It is managed successfully in some university towns, but less so in others. However, if the hon. Gentleman's authority uses the article 4 directions for which the Bill allows, it will be able to take a sensible and balanced approach towards studentification, which is a serious issue in many university cities.

Let me return to flat conversions, which often take place in quite small properties, yet on a large scale. I have heard estimates that there are as many as 20,000 such conversions each year in London. Sometimes, in my locality, it feels as though there is an epidemic of flat-conversions. Of course I accept in principle that the conversion of single dwelling houses to flats can make a legitimate contribution to meeting housing need, but all too often in my borough we find that modest three or four-bedroom properties are being subdivided into three or even four flats, which raises major questions about the quality of the flats, in terms of size and lighting. Such developments can have major impacts on adjacent households, and they can wholly change the nature of communities. In my constituency, I have seen the balance tip in certain streets, which have gone from communities primarily made up of family households to majority flatted communities; residents rightly see that as a deterioration in their local community and quality of life. Other streets in my area are at risk of that happening, too.

Where does the abuse of permitted development come in? Let me explain it in this way: if a developer were to make an application for planning permission to subdivide a property, the answer might be, "No, the property's too small," or it might be yes to two flats, but no to three or more. The developer would then lose money. Very often—typically, in my observation—the developer will first build out to the maximum tolerances for permitted development, with a new loft or rear extension. Then, when the property is far larger, the developer will apply for planning permission for a far more substantial conversion than would initially have been allowed. Nine times out of 10, the local authority will be obliged to grant the permission. That is a phenomenon universally recognised by planners, not to mention the residents who suffer from it. That is why the new proposed powers relating to article 4 directions are so important for some local authorities, and why I very much welcome them.

To conclude, let me put two or thee questions to my hon. Friend the Minister for Local Government about the use of article 4 directions. If he is not in a position to answer them in the winding-up speech, I am perfectly happy to have them answered in writing. First, unless there is a cleverer way of dealing with the issue than I have thought of, it may be desirable in some areas to withdraw permitted development rights in their entirety, in order to force developers to make initial applications. Is that allowable? Secondly, although the Government's response seems to envisage the restriction of permitted development rights only in specific neighbourhoods, will it be allowable for a whole local authority area? Thirdly, it is completely reasonable to expect local authorities to justify the imposition of an article 4 direction, but what would be the status of that explanation, and will it be challengeable? I look forward to his responses. Notwithstanding one or two demurs, I regard the Bill as an important and useful measure that will help us to put our major energy and transport infrastructure needs in place more efficiently, and to create more sustainable—

Mr. Deputy Speaker: Order. I call Mr. Tom Brake.

5.2 pm

Tom Brake (Carshalton and Wallington) (LD): I start by thanking the Secretary of State, who is no longer in her place, for briefing me and my hon. Friend the Member for Hazel Grove (Andrew Stunell) on the Bill a week or so ago. Her charm offensive was successful to the extent that it better informed us of the Government's views on the Bill, but it was not entirely successful, as we have not chosen to join her in her big tent.

When I considered the Bill, my starting point was to find out what it should achieve. In its briefing, the Wildlife Trust sets out fairly succinctly what the Bill should do. First, it should

> "facilitate public confidence in decisions by allowing stakeholders and the public, including local communities, to have their say and views reflected."

The Bill should ensure that we "value the natural environment" and that there are "rigorous environmental assessments" of the proposals. One could perhaps add to that a suggestion made by the Royal Institute of British Architects: the need for the Bill to ensure that we effectively entrench good design standards. We should not finish our consideration without making sure that the Bill provides an efficient mechanism for delivering critical national infrastructure.

A Bill's strength often lies in its ability to command wide-ranging support from a cross-section of organisations, and I am afraid that this Bill fails that test. Liberal Democrats recognise the need to improve the way in which large planning applications are dealt with, as the current system is not working as effectively as it could. However, the key applications are often delayed by ministerial decisions rather than by those taken in any other quarter. We are worried that the Bill will stop local communities and local authorities challenging major projects and raising legitimate concerns. The way in which the Government have treated what they call campaign responses—responses to the consultation from

[Tom Brake]

individuals associated with campaign groups such as the Campaign to Protect Rural England, which responded to the White Paper—and the way in which those so-called campaign responses have been, to some extent, discounted, or at least set aside from the other responses, is a worrying indicator of how the infrastructure planning commission might deal with local communities' concerns. What decision was taken about the weighting to be given to different responses to the consultation?

Those are not just our concerns—they have been expressed by several organisations. For instance, the Local Government Association is worried that the new arrangements for projects of national significance will undermine local democracy. Equally, the Royal Town Planning Institute has highlighted the fact that public service agreement 21, which covers building cohesive and empowered active communities, will be endangered by the proposals as they relate to the IPC.

Did the Government consider not going for this "big bang" approach to planning and instead reconsidering the changes proposed and adopted in 2005? Does the Minister think that the changes have had the necessary time to embed, and might not they be a better way of tackling the problem than making a completely new proposal in the shape of the IPC? Liberal Democrats will seek to table amendments if, in our view, the IPC is not suitably accountable and legitimate—and, perhaps, most critically, if there is no evidence that it will be able to reject applications. That will be a key determinant of whether it is worth the money that the Government are to invest in it.

Another matter that we will want to consider carefully is the amount of money that the Government are giving to Planning Aid, which, under the new arrangements, will play a significant role in ensuring that communities can have their views heard and be effectively represented. The Secretary of State confirmed that £1.5 million has been allocated to Planning Aid, and we will shortly meet its representatives to discuss whether that is a suitable sum for the job that may be allocated to it. In the Government's view, some £300 million per annum will be saved as a result of the Bill. That is welcome, but what percentage of that will relate to the private sector? It is interesting to see how much the Government expect the private sector to benefit from this and, on the other hand, how much they are willing to invest in Planning Aid to ensure that local communities have their views effectively represented. I hope that the Minister accepts that there are sincerely held concerns about the infrastructure planning commission.

The IPC is the first major proposal of the Bill; the second is that of national policy statements. There is more consensus about the need for the latter, and the principle behind them—that we should not repeat arguments about national policy in relation to a local application—is sound. It would be much more effective if agreement were reached following detailed consultation and parliamentary involvement instead of arguments being repeated at each inquiry.

There are, however, many questions about what will be in the national policy statements. For instance, National Grid has some very clear ideas about the role of the market in meeting UK energy requirements, the importance of securing energy supply and the Government's view on electromagnetic fields. I hope that the Minister will give more detail about the content of the national policy statements.

Business supports the national policy statements. Certainly, the CBI has welcomed them, but, inevitably, the welcomes are not unanimous. The briefing hon. Members have received from the National Farmers Union raises a critical point, which others have made. There is some concern about, and a need for clarification on, how the national policy statements relate to existing planning policy. Will they overrule in their entirety planning policies on the green belt, or on playing fields, for example, or will they have to be taken into account in an appropriate fashion? I hope that the Minister will be able to provide more clarity on that point.

I hope that the Minister will clarify how parliamentary scrutiny of national policy statements will work, although I understand the Government's position. They may want to be discreet in the expression of their views about how Parliament should consider the process, as that is a matter for Parliament alone, even if the Government have a private view about it. If the Government are unable to tell us how they think parliamentary scrutiny should be performed, I hope that the Minister will tell us what discussions have been held with the Procedure Committee. When a proposal along these lines was last proposed, the Committee insisted that it could not proceed within the time scales sought. I hope that the Minister will explain whether those discussions have borne fruit, and whether parliamentary scrutiny could be subject to the same challenges.

Assuming the Bill becomes an Act, the time scales the Government have in mind for implementing the national policy statements are unclear. When would the Minister expect the statements to be in place? There is an indication that some of the existing statements—those relating to aviation, for example—may be adopted as national policy statements. I hope that the Minister will explain how that will happen. Clearly, the process used for national policy statements will be different from that adopted for the aviation paper. Simply adopting that process would not be acceptable to this House or, indeed, to anyone outside it. We require some clarity on that point.

The third major proposal in the Bill is the community infrastructure levy, whereby the Government propose to ensure that developers and others contribute a significant sum to the cost of local services and that it is not simply borne by local authorities. I am sure that hon. Members regularly receive representations from their local authorities or local residents worried about the scale of development and the relatively small contributions that are made, if any are made at all, towards local schools, GP practices and other facilities.

The proposal is sound, but it is not universally supported. The business community is split on the subject. Although the British Property Federation believes that the proposal commands the support of the business community, the property industry and local government, it does not command the support of the British Chambers of Commerce. Housing associations believe that section 106 of the Town and Country Planning Act 1990 has been critical in ensuring that affordable housing is provided. If the community infrastructure levy is to replace section 106, I hope that the Minister will confirm how he can be certain that affordable housing will continue to be provided in certain developments. We will need reassurance. There is a broad agreement in all parties about the need to provide affordable housing, but if one of the key ways of delivering it is to be removed by the Bill, the Minister will need to justify it.

In my opening remarks, I said that the strength of many Bills is their ability to command overwhelming support. The Bill fails that test. Another test is whether a Bill answers more questions than it poses, but this Bill raises a large number of questions about its main proposals. So far, at least, there is no evidence that the Government will square the circle and speed up planning applications for infrastructure in the way that all hon. Members want while allowing local communities and local authorities to have their say. The infrastructure planning commission risks becoming the "in place of consultation" commission. We will fight the Government's centralising tendencies and will fight for local communities' right to have their views heard. We will vote against Second Reading today.

5.17 pm

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): At the outset, I draw attention to my interests as declared in the Register of Members' Interests. I also want to refer to the fact that I am honoured to be an honorary fellow of the Royal Town Planning Institute and vice-president of the Town and Country Planning Association.

I welcome the Bill, which contains a number of important provisions that will improve the planning process. Planning is often a highly controversial issue, and those who are involved try to reconcile conflicting interests—social, environmental or economic—and to find appropriate and sustainable solutions to the development needs of our society without prejudicing other interests. That is not always easy, but it is vital as part of a democratic society that seeks appropriate solutions.

Some people find it difficult to avoid condemning planning, the planning system and planners at every opportunity as slow, cumbersome and expensive. Although I am sure that we can all point out individual examples of unduly protracted or bureaucratic processes from our constituency experience—indeed, one of the key purposes of the Bill is to address precisely that problem—I do not subscribe to the view that planning is an inherently negative process. On the contrary, good planning has played a vital role in enhancing the quality of our cities and their economic success and protecting our environment, including the countryside, from inappropriate and damaging development. We owe a great deal to the effectiveness of the planning system, which has operated broadly in its current form for the past 60 years.

Having said that, I am aware that there are areas where the system has not worked as well as it should have. That is certainly true of major infrastructure projects. I have no doubt that all hon. Members can cite, as the Secretary of State did in her opening remarks, examples of necessary projects of national significance that have been subject to extraordinary delays. To give a slightly more local perspective, my experience of the process with the Thames Gateway bridge is deeply depressing. The project dates back to Abercrombie more than 60 years ago, when the need for a crossing over that part of the Thames was identified. The current planning process has been going on for approximately three years. I spoke about it to my right hon. Friend the Member for Streatham (Keith Hill), when he was still a Minister, and the scheme is currently completely parked. It has been subject to one inquiry, which reported, and a further inquiry has been instituted. Even assuming a fair wind, it is expected to take a further two to three years to reach a decision.

When I say that we are considering a bridge across the Thames in a stretch of 13 miles where there is no fixed crossing between Blackwall and Dartford, which is the focus of one of this country's, if not Europe's, biggest regeneration schemes—the Thames Gateway—it becomes immediately clear that it is preposterous that we find securing such necessary infrastructure so hard and so slow.

My hon. Friend the Minister for Local Government will be alarmed because he knows that the Bill does not remedy the problem. As I read it, the definition would not include the Thames Gateway bridge, so the Bill would not expedite it. I personally support the measure, but the Government will have to consider matters slightly more carefully to ascertain what more can be done to expedite the process when regionally significant issues, such as the Thames Gateway bridge, are outside the definition. My hon. Friends will understand that I shall not press for restrictions on the infrastructure that the Bill's definitions cover and I should like the Government to give further thought to widening them in specific cases.

While we are considering definition, I would welcome my hon. Friend the Minister's views on railway schemes, which hybrid Bills have traditionally tackled. I have some experience of such Bills, having served on the Select and Standing Committees that considered the Channel Tunnel Bill in 1986-87, and taken a close interest in the recent Crossrail Bill, which has just completed its Public Bill Committee stage. My experience of such Bills is generally positive. They have allowed an opportunity for aggrieved or interested parties to seek amendments—we were delighted that the amendment to the Crossrail Bill on Woolwich station was accepted—and they deliver major infrastructure schemes in a much shorter time scale than is likely under traditional planning inquiries. I am therefore a little apprehensive that the Bill, if I interpret it correctly, ends the use of the hybrid Bill procedure for such railway projects. I will miss it if it goes.

Mr. Gummer: Does the right hon. Gentleman accept that his example is crucial, because a local concern about how a railway station might serve the community was given voice in a forum that local people recognised would listen? The problem with the Bill is the lack of a recognisable, formal process, whereby a judge or a Committee of the House can listen to our constituents.

Mr. Raynsford: I agree. The impact of schemes of regional or national significance on localities, and methods of feeding the concerns of local people into the system in an influential way that can achieve changes, are especially important. I gave an example to illustrate the benefits of the hybrid Bill system as it has worked. I therefore regret its apparent demise. However, it is not

[Mr. Raynsford]

impossible, if specific changes are made, to ensure that local concerns can be taken into account. I shall deal with that shortly.

Having expressed reservations about the loss of the hybrid Bill procedure, I welcome the Government's decision to introduce the new procedures, especially the two key elements—the national policy statements, which are prepared by the Secretary of State and subject to parliamentary scrutiny and approval, and the infrastructure planning commission. Some people have attacked the commission as an unrepresentative quango. That critique appears misconceived because the commission will fulfil the same role as the planning inspectorate. Under the existing system, the planning inspectorate, which comprises people who are appointed, considers issues and reports on them. A decision is then taken by the Minister on the basis of the planning inspector's recommendations. Under the new system, the Minister will prepare the policy statement in advance and the infrastructure planning commission will reach a decision taking account of that policy statement. That does not seem to me to be very different.

Martin Horwood (Cheltenham) (LD): Is the right hon. Gentleman not concerned by some of the unprecedented powers of the commission, including powers to "apply, modify or exclude" provisions in primary legislation and to amend, repeal or revoke local Acts? The reason given in clause 105 is that that should happen when it is "expedient". Does he not worry about that lack of democratic accountability?

Mr. Raynsford: If the hon. Gentleman had borne with me for a moment, he would have heard me make observations about points of detail. I was expressing a general view in principle, which is what we should do in debates on Second Reading, about the merit of the infrastructure planning commission and about how it was not, in effect, the unrepresentative quango that it has been represented as.

I have no problem with the main architecture of the proposals; I do, however, have a number of concerns about specific procedural issues and about some of the framing of the legislation. My first concern is about how consultation will be handled and about the way in which the public will be able to have their say, particularly on the development of national policy statements that will have a local or regional impact—the very point that the right hon. Member for Suffolk, Coastal (Mr. Gummer) raised. Unless we are careful, the framework could mean that national policy decisions are taken without the people who are likely to be affected by the implementation of the proposals at a local level having a full opportunity to understand and feed into the debate on national planning policy. I would like more reassurance that we have understood the importance of enabling people to feed in at the local level at that early stage.

Secondly, I am a bit concerned about the decision-making procedures set out in the Bill. Clause 94 rightly insists that the panel "must have regard" to any relevant national policy statement, but it does not require the panel to consider other relevant planning policy statements. That seems a curious and unsatisfactory omission, which I hope will be rectified. The omission is even more surprising when one sees how dangerously open-ended the phrasing is in clause 94(2)(c), which requires the panel to consider

> "any other matters which the Panel or Council thinks are... important and relevant".

I can see all sorts of trouble inherent in that. It would be an obvious ploy for an aggrieved party who had not secured the outcome that they wanted from the panel's consideration to seek judicial review on the grounds that it did not have regard to matters that it felt to be "important and relevant". That is a rather worrying provision, so I hope that my right hon. and hon. Friends will consider it further.

The second main innovation in the Bill is the introduction of a community infrastructure levy. I congratulate my right hon. and hon. Friends on abandoning the previous proposal, for a planning gain supplement, and instead opting for the tariff-based approach that appears to lie behind the community infrastructure levy. I say "appears", because the Bill seems to be ambiguous, but in principle I welcome the move. Although the thinking behind a planning gain supplement was sound—it sought to ensure that a proportion of the gain derived from development should be captured to fund necessary infrastructure and social provision, and to mitigate adverse impacts—the mechanism chosen was suspect from the start.

There is no need to go over the ground again. Those of us who opposed PGS from the outset spelt out the risks and the disadvantages on numerous occasions, and I am grateful to my right hon. and hon. Friends for listening and responding. Whereas PGS was widely criticised by those with detailed experience of the development process, whether developers or those dealing with development applications, the tariff approach commands much wider support. It is much more likely to give developers certainty on the scale of the contribution that they may have to make, and it retains the direct connection between the locality in which the development is taking place and the contribution. Provided that the level of the levy is set sensibly, the tariff approach should not inhibit development on more marginal sites, while also ensuring a much wider level of contribution than has been secured to date under the section 106 procedures, as my right hon. Friend the Member for Streatham rightly pointed out.

Tom Brake: The right hon. Gentleman is very experienced in these matters, and I wonder whether he has a personal view on whether the community infrastructure levy should apply to energy infrastructure, for example, or to large developments of affordable housing.

Mr. Raynsford: In my view, one of the benefits of the community infrastructure levy should be that it has wide application. In general, it should apply with the smallest possible number of exceptions. I am afraid that some of the representations that Members have received from lobbyists are rather self-serving, and the danger of making large-scale exemptions is that it would be difficult to sustain the levy in other cases where parallels could be drawn. I do not want to be definitive in my response at this stage, but I am a little cautious about some of the arguments for widespread exemptions from the levy.

The scheme was developed only in the past couple of months, because the Government committed themselves to establishing a community infrastructure levy only as recently as that, and I suspect that that has not allowed much time for the details to be explored as fully as they need to be. That might account for the fact that I find the Bill somewhat confusing. I hope that my right hon. and hon. Friends will be able to clarify the arrangements over the next few weeks, if not tonight.

My first concern is with clause 163(2), the drafting of which seems to imply not a tariff but a tax on the uplift in value. The subsection states that

> "the overall purpose of CIL is to ensure that costs incurred in providing infrastructure to support the development of an area can be funded (wholly or partly) by owners of land the value of which increases due to permission for development."

That seems to have a direct relationship to the increase in value attributable to the granting of planning permission, which was the core principle behind PGS, rather than providing for a levy designed to reflect the nature or type of the development.

My confusion is compounded when I turn to clause 166(4), which contains powers to introduce regulations. Those powers will allow regulations to

> "permit or require calculation by reference to descriptions or purposes of development".

That seems to be a tariff. The power in clause 166(4)(b) will allow regulations to

> "permit or require calculation by reference to increase in value arising from permission for development",

which seems to refer to a tax, not a levy.

Mr. David Burrowes (Enfield, Southgate) (Con): Will the right hon. Gentleman give way?

Mr. Raynsford: No, I will not. The hon. Gentleman will understand that I am time-limited.

My confusion becomes even greater when I discover, in clause 165(4), that:

> "The regulations may require CIL to be paid in respect of land developed in reliance on planning permission whether or not its value has increased as a result of the grant of the permission."

That is entirely compatible with a levy, but it does not seem to be compatible with the outstanding objective set out in clause 163, which seems to provide the basis for a tax. I am confused, and I look for guidance.

I share the view expressed by the hon. Member for Carshalton and Wallington (Tom Brake) that there is a question about the relationship of the new levy with section 106, particularly in respect of affordable housing. My understanding is that section 106 will continue, and will provide the framework within which the levy is operated. I also understand that there will be an opportunity for a contribution to affordable housing under section 106, as well as for separate provision within the levy. That could be confusing, however, if the arrangement is not clarified, and I would welcome the view of my right hon. and hon. Friends on that.

I am also concerned about the potential for duplication arising from the list of charging authorities in clause 164. They include the local planning authority, which obviously makes sense, and, in the case of London, the Mayor of London. More generally, they also include

> "any other authority with responsibility for town and country planning."

That could include development corporations such as those that have been established in the Thames Gateway. Unless the relationship between the three different bodies is established, there is, in principle, the possibility of double or treble charging, so I urge the Minister to look carefully into that and ensure that a clear hierarchy avoids the risk either of duplication or of double or treble charging, while minimising the risk of disputes between the different tiers of government about their role in the system.

Those are, however, points of detail, not points of principle. As I have already said, I very much welcome the decision to bring forward the community infrastructure levy rather than the previously proposed PGS. Provided that those details, and others that have been raised, can be resolved, we will have the makings of a system that can ensure the objective that I certainly want—and, I believe, most Members want—which is a means of raising funds from the profits of development to fund necessary infrastructure and social provision.

In conclusion, the Bill is a generally good one that will improve the working of the planning system, speed up some unnecessarily delayed projects, give greater certainty and, provided that the detail can be got right, should not deny local people the opportunity to have a proper input into the decision-making process. I am happy to support Second Reading tonight.

5.35 pm

Mr. John Gummer (Suffolk, Coastal) (Con): I refer the House to the Register of Members' Interests and to the fact that I am vice-president of the Town and Country Planning Association and an honorary fellow of the Royal Institute of British Architects.

I hope that the Government will not mind if I deal with practicalities. There is no doubt that the Bill is in itself a declaration of failure; only two and a half years ago, we were told that the planning Bill coming before the House would solve most of the problems that this Bill is designed to solve. It is also true that even the Bill's most robust supporter would have to admit that the Government are better at the rhetoric than the delivery, and that joined-down government is not a quality that they have managed to discover in their 10 years so far. One thus has to look into these things in great detail in respect of their practicality, not least from this particular Department. In the not too distant past, it managed to tell Ipswich that it was going to be a unitary authority, but then told it, immediately after it had spent £1 million in preparing for it, that it was not going to be a unitary authority after all. The same Ministers took a totally different decision. That being the case, this Department needs to be looked at extremely carefully when it comes to the practical results of the legislation that it puts forward.

Let me take the precise example of nuclear power. I have two nuclear power stations in my constituency: one is in the process of being closed down and decommissioned, and the other is perhaps the most successful in the United Kingdom. If there were to be a new nuclear power programme, I know that my constituency would be a prime target for it—and I happen myself to be a supporter of a new nuclear power station at Sizewell.

[Mr. John Gummer]

One can perfectly well take the generality of the decision in Parliament that we accept nuclear power. It is right that a particular part of the Bill should provide for that and the quality of life commission, which I chaired, was one of the earliest advocates of doing so. There is something in common here and I shall point out the several other things that the Government have taken from that earlier vision. They are very interesting, and perhaps more importantly they illustrate the bits that they have not taken from it. Having agreed the general principle, though, someone has to apply it to Sizewell. It is at that point that local support must be gathered.

After all, what is the planning system other than a means of reconciling a whole range of different interests—the national interest, the local interest, the particular interest? Reconciling those is crucial. Very often, people want to do different things on the same site and the planning system enables society to make that decision. It is always a second best, of course, because although the law of property should be that one can do what one likes with one's own land, we decide that that is not acceptable because there are community interests that have to be reconciled with the particular interests—so we reconcile them.

The trouble with the Bill is that, although it deals more sensibly with the idea of taking the general decisions, it makes much worse the problem of how we deal with the local community. When we had the Sizewell B inquiry, I was able to present the interests of my constituents in front of a judge. The judge was not there as an expert. Indeed, I dislike this concept of planning experts—people who are supposed to be experts in energy, experts in this, experts in that, experts in the other. That is not what my constituents want.

My constituents want somebody whom they believe to be an expert in judgment who will listen to the points that they raise and decide whether, in addition to having a nuclear power station, which is decided here in Parliament, they must have a new road or whether, as in the last case, there has to be an insistence on 80 per cent. of the heavy goods coming in by sea. It makes a lot of difference to people if they do not have 10,000 lorries passing in front of their houses.

Those are the issues that my constituents will want to present, but they will not want to present them to some Government placeman who happens to be an expert in this, that and the other. They want to feel that they can appear in front of a judge who can make the decision himself. That is also true in relation to planning inspectors. At least a planning inspectorate is a professional body of people.

We want professionals, not placemen. That is the difference, and that is why we believe it necessary to have the first part of the proposals but then to accept that there should be a local inquiry on the particularities of the local impact of a national decision. Of course we would not have to discuss the issue of nuclear power again—in Suffolk as in Somerset, or in Bedfordshire as in Devon. That would be decided by the House from the planning guidance produced by the Government, but what happens locally is crucial to every local community. Those communities must feel that the process is proper.

I submit to the House that a quango wandering around the country—no doubt chaired by Dame Deirdre Hutton, or another person of that kind who chairs everything around here—would be a set of placepeople, if I am to be politically correct. That is what they would be and that is what the public would see them as.

Mr. Raynsford: When the right hon. Gentleman reflects on his period as Secretary of State, does he feel that his strictures about placemen, and about having experts rather than others, would apply to the Local Government Commission under Sir John Banham, which the right hon. Gentleman appointed to reflect on the structure and shape of local government in England?

Mr. Gummer: Happily, I did not appoint it and I did fire him, so that situation does not really arise. *[Interruption.]* Well, perhaps I ought to say that he resigned. The situation is not as the right hon. Gentleman puts it.

I am looking for sensible decisions that are taken centrally, whereby we, as Members of Parliament, take the decision in the House. I am a great believer in our taking decisions on all subjects and not going out to other people through referendums and the like. That is what we should do here. We should make decisions on the big issues, and people should know how we voted. We should stand up and say, "We are in favour of nuclear power," or that we favour a new railway or whatever it is. That is what parliamentary democracy really means.

When the political decision is made, however, it must then be subject to the views and attitudes of the locality. Unless we do that, we shall find that the public will not have it. That is what I meant when I mentioned Swampy. If people feel that there is no local ability to make the comments that they want to make to someone who is not appointed by the Government, but who is a professional person—whether it be an inspector or a judge—we will find that more and more attempts are made to try to hold up decisions because there has not been proper local consideration. We have to change that aspect, and do so to speed it up. That is my first point.

Secondly, I am also not entirely opposed to the idea that the Government have now come up with as a variant on section 106. Although I take much the same view as the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), I say to him that we must have clarity about where the money is to be applied.

The negotiation has been Treasury driven, and we all know that the original proposition was a means of nationalising section 106 money. The idea was to get the section 106 money, add it up and take it off the Government grant. That is what was going to be done, and it could have been done without legislation being passed by the House. I am therefore very suspicious, and the Minister must accept that most of us are very suspicious, following the history of Treasury meddling.

My worry is, if the proposal is to apply on a region-wide basis, what will that mean for Suffolk? We could have agreement on a nuclear power station in Leiston, but the money could go to Luton. Most people in Leiston have not been to Luton, do not want to go to Luton and are not interested in Luton. The fact that it is in the eastern region is nothing to do with them because they do not understand, nor are they interested in, the regional government that this Government have produced. They want to think that if money is for a development in their area, it will have an effect in that area. I was surprised that the Secretary of State was not prepared even to say that it would go to their county, which is at least something that they understand. I suspect that the change is much more dangerous than anything that she is prepared to say.

Thirdly, we have the issue of hybrid Bills and the like. I agree with the concerns of the right hon. Member for Greenwich and Woolwich about those Bills. A huge amount has been achieved by them. There is proper public discussion of big infrastructure projects and people feel that they have a way of reaching those who make the decisions. Even if we do not continue with that system, it reminds us of the dangers of the particular system that is proposed.

Fourthly, I am concerned about some of the significant gaps in the Bill. This is the most autocratic Government since Cromwell. There is no doubt about that. They are centralising and like to do by secondary legislation what they do not dare debate on the Floor of the House for primary legislation. This Bill is a good example of that. We cannot debate it properly because the details on which those debates should take place are not known. Indeed, they are so obviously not known that when the Secretary of State was with us for that short period of time she admitted that we would get to know more about them as the Bill goes through its stages. Frankly, the Minister must understand that that is entirely unacceptable as a parliamentary system. Bills should come to this House with sufficient information for us to debate them. We should not be told that we might get other bits and pieces as we go through the Bill if it is convenient to the Government and if we press them so hard that they cannot fail to tell us, which is really what they are threatening us with on this matter. We cannot argue about a whole range of things that are seriously deficient in the Bill because we do not know the answers.

That leads me to the fifth point. Some of the issues that we are going to cover are important. How on earth can we talk about aviation if the proposals in the aviation White Paper—that appalling White Paper, recently produced by the Government—are to be transferred lock, stock and barrel into what will, in fact, be the direction for this new independent commission? I consider that document to be very, very empty of an understanding of the environment. It is appalling when it comes to carbon and climate change, and it is ignorant when it comes to discussing most of those issues. Yet we are not going to have much discussion of such matters because, under this proposal, they will be part of the general guidance that will be brought before the House. We need to know a lot more about what the national policy statements are and about how they will integrate with other statements and policies, none of which we have been told about so far.

Lastly, we have to recognise the advances that have been made by suggesting that permitted development should be extended. That was part of what the quality of life commission proposed. Soon after that, however, the Government made their announcement; it was the usual technique. However, as is often the case, they got it wrong. The Government have decided not to permit as much development in proper circumstances as they could have done. Our proposal was that people could develop as they wished on estates built since 1945. They would have to give notice to the local authority and the contiguous neighbours. If they objected, an arbitrator would decide whether the neighbours' interests were greater. That is a reasonable proposition. Much more development would have been possible, and many of the difficulties rightly identified by the right hon. Member for Streatham (Keith Hill) would have been avoided. If the process were removed from the planning department it would become a neighbourhood issue, and a decision would be made on the spot.

The problem is that the Government have not only failed to adopt that proposal, but failed to do the other half of what should be done. They have made it possible to build, for example, a conservatory willy-nilly, with no requirement for it to meet the highest energy efficiency standards. However much such a development may accord with planning desires, constructing it with no regard for carbon emissions or climate change is an example of the ways in which we are increasing energy consumption to a significant extent. It will be too hot in summer and too cold in winter, which means more central heating and more air conditioning. But the Government seem to consider such developments perfectly reasonable.

Again, I challenge the Minister. I want to know his precise estimate of the increase in global warming gases that will result from the Bill. The Government do not know the figures relating to the 2,500 post offices that they have closed or the effect of the heating provided for people to smoke outside pubs following the smoking ban. They do not bother to find those things out. It is all words, with no practical figures relating to the increase in emissions that results from their actions.

These are my objections to the Bill. First, it ought to be unnecessary. The Government promised us that the last planning Bill was all we would need, and we should therefore suspect that this Bill will be as ineffective as they now claim the last one to have been. Secondly, it is not "joined up", in that they have not worked out how it will be implemented, and we will not have that information. Thirdly, it is destructive of local democracy. Fourthly, the Secretary of State can say as loudly as she likes that it extends democracy, but we should always be suspicious of Ministers who say that. What it means is that they know perfectly well that the opposite is the case, and if they say it several times, we know that we should be suspicious.

The Secretary of State knows perfectly well that this is a centralising Bill, an autocratic Bill, and a Bill that is typical of a Government who have done more to reduce the rights and freedoms of the individual than any previous Government since Oliver Cromwell.

5.52 pm

Mr. Paul Truswell (Pudsey) (Lab): A number of Members throughout the House have already commented on the challenge posed by the planning process. There is an increasing polarisation between engaging the community, maintaining sustainable communities and tackling major challenges such as climate change on the one hand, and

[Mr. Paul Truswell]

the promotion of enterprise, employment and wealth on the other. I believe that the Bill gets the balance substantially wrong.

I appreciate, and would not seek to minimise, the difficult balancing act that Ministers must perform in the face of lobbying from business and the one-sided findings of the Barker review of land use planning. Like many Members, I am closely involved in supporting the communities in my constituency in expressing their view on local planning applications and their impact on the quality of their lives, and trying to ensure that developments are sustainable and address issues of climate change. My main starting point is the extent to which the Bill deals with community participation. When my right hon. Friend the Secretary of State was performing her piece at the Dispatch Box, I was taken back a few years to a similar debate on public involvement relating to the abolition of community health councils and their replacement with patients forums, which are themselves to be superseded.

In the context of public involvement, I recognise that the Bill will have no great impact on the overwhelming proportion of local planning applications decided under the Town and Country Planning Act 1990. If I have any criticism in that respect, it is that the Bill provides no means of promoting and enhancing community participation in respect of local planning applications. In the past, like my hon. Friend the Member for Stroud (Mr. Drew), I have advocated a qualified third-party right of appeal to give communities an opportunity to challenge significant local planning decisions made by councils on applications requiring an environmental impact statement.

The Bill relates principally to major infrastructure proposals, or MIPs. I have therefore tried to view it from the perspective of how it might operate in respect of MIPs with a potential impact on the communities that I represent. For example, Conservative and Liberal Democrat-controlled Leeds city council is considering options for major waste disposal facilities that may include the building of a huge incinerator. We also have on our doorstep Leeds-Bradford airport, recently privatised by the Tory-Liberal Democrat coalition. Those were the very people who condemned the passenger projections in the aviation White Paper, but then sold it off—and with it, absolute control over its future development—so that they could, in their own words, secure private investment to promote its growth. Only time will tell whether that particular development will lead to a planning application that will amount to an MIP, but it is a possibility.

I ask myself how, if planning applications for an incinerator or airport are submitted, the process proposed in the Bill will enable local people and communities, environmental groups and elected representatives such as councillors and Members of Parliament to express their views. That includes their ability to make representations on national policy statements that would set the framework for individual decisions, as well as individual inquiries on specific applications.

I have great sympathy with those who regard the Bill's proposals as an unnecessary dilution of existing procedures for engaging the public. We are told that the present inquiry process is unfairly protracted, but little empirical evidence appears to have been provided by Ministers to demonstrate the extent to which the present opportunities for public involvement and engagement are responsible for that. In some cases that are cited as examples of the protracted process, the way in which applicants have presented their case and the delay between the end of an inquiry and the announcement of a decision by Ministers have been the main culprits. I dare say that, if he manages to catch your eye, Mr. Deputy Speaker, my hon. Friend the Member for Hayes and Harlington (John McDonnell) may even cite the oft-quoted example of Heathrow's terminal 5. In that instance, the process was prolonged by the applicant's lack of preparation and subsequent changes in the application, and by the time that it took for a decision to be made once the inquiry was over.

We have been told that the present inquiry process is a barrister's beanfeast. Barristers are always good whipping boys in any discussion of this type. It is asserted that many citizens lack the confidence to contribute to a process in which they may be cross-examined by those intimidating successors to Torquemada. I find that argument somewhat tendentious, if not patriarchal and patronising. In any case, whatever the process, many people—irrespective of their background—lack the confidence to contribute at any public meeting. It is not unusual for them to defer to others to provide representation, whether those people are members of their own community or organised pressure groups—"green" groups, for example.

There is also a mindset, which I consider particularly unhealthy—I do not accuse my hon. Friend the Minister of holding this view—that sees objectors to planning applications as nimbys, and the present procedures as a nimby's charter. As Churchill once observed, the trouble with democracy is that it is the worst form of government apart from all the rest. The Government's wish to truncate the process in the way that the Bill suggests is another aspect of the desire to remove some essential, but sometimes slightly awkward, democratic elements. It seems that Ministers are exaggerating the murkiness of the bathwater to justify throwing out the baby.

Perhaps I am guilty of a touching naivety, but I do not think it beyond the wit of Ministers or their civil servants, particularly in the context of the proposed national policy statements, to analyse the lessons of previous protracted processes and to inject a greater discipline that does not require removal of the right to appear and to cross-examine.

I believe that the Bill transmits the wrong message: support for business at the expense of the community. Councils such as Leeds are constantly spinning the political line that over-intensive development on brownfield sites, including gardens, is being forced on them by the Government. Of course, they do not reveal that the guidance on brownfield development of gardens was introduced by the last Government. They do not reveal that they have powers under the 2004 Act to draw up plans to provide action plans and a local framework to address local issues of over-development. Nor do they admit that PPS3 on housing allows them to examine planning applications in the light of local housing needs, particularly for families. Far from helping to explode some of these political myths, the Bill simply helps to reinforce them.

NPSs are key documents in determining applications and obviously can be site-specific. Yet despite their power and influence over people's lives, there does not appear—I may be wrong—to be any clearly specified right to be heard in the preparation process. Paradoxically, this right does exist for local planning documents under the Planning and Compulsory Purchase Act 2004, but it is essential that NPSs are likewise subject to robust and guaranteed public consultation. The consultation provisions contained in the Bill seem a little vague and subject to a very broad exercise of discretion by the Secretary of State.

The Bill needs to be strengthened to ensure that a clear and unambiguous commitment to publicity and consultation exists in respect of NPSs and, for the process to be effective, it should include policy options so that people can look at what has been considered. If the Bill is not to represent a retrograde step in terms of public involvement, it should build on the 2005 rules for major infrastructure project inquiries and contain an effective right to be heard in person at all stages of the inquiry process with qualified rights to cross-examine and to test evidence.

It is essential that the Secretary of State and the IPC issue specific guidance on community involvement and, as we have heard, it is essential that we have adequate resourcing of groups such as Planning Aid to allow people to participate effectively in the process.

Most, if not all, of us will have had experience of pre-application consultations conducted by developers. Often they are merely a lip-service exercise. Often they make little or no difference to the eventual application that is submitted. I believe that applicants must be guided in much greater detail as to their responsibilities in consulting local people. If the process is to mean anything, the applicant must be required to consider the reasonable mitigation of the proposals that they submit, perhaps in the form of a statement of the impact of the development that is considered by the IPC.

Jeremy Corbyn (Islington, North) (Lab): Does my hon. Friend agree that there is a problem with applicants undertaking a great deal of consultation, which can be subjective and lead to a decision that they want in the first place, and then presenting it to a public body as though the development had the support of the entire community? Should not the consultation be supervised by an independent public body rather than by the applicant?

Mr. Truswell: It sounds very much as if my right hon. Friend has had—

Jeremy Corbyn: I am not a right hon. Member.

Mr. Truswell: Sorry. It sounds as if my hon. Friend has had a number of constituency experiences that exactly reflect the sort of point I was trying to make.

I cannot help but feel that the IPC cuts fiercely against the grain of what a democratically accountable and responsive planning process should be. Anybody wielding the immense powers that are to be allocated to the IPC must be democratically accountable and allow proper public engagement by allowing for robust testing of evidence. The Bill does not appear to make any real provision for this.

I would have no objection—I am echoing the points made by a number of Members—to an expert body having a major independent advisory role, but not a decision-making role. It has been suggested that this role might be allocated to the Planning Inspectorate rather than creating the IPC. I can understand the attraction to Ministers of insulating themselves against the pressures of taking decisions on what are often highly charged political issues. It is a little like the process that the Conservative party is considering to distance itself from unpopular local decisions in the NHS, if it ever manages to get into government. I doubt whether that will work and I am not sure that the IPC will work as a similar barrier.

Finally on democracy and public engagement, may I express my objection to what could be viewed as retrospective policy formulation, a point made effectively by Opposition Members? I am concerned that clause 11 allows the Secretary of State to designate existing policy documents as national policy statements. Obviously some of these documents pre-date the more robust sustainability assessments that have come into force more recently. Previous policy documents were not designed to take into account recent statutory targets, such as the carbon emission reductions that we will look at in due course. The best example has already been quoted—the "Future of Air Transport" White Paper 2003, which was obviously published before there was a requirement to comply with either the strategic environmental assessment directive or the habitats directive.

The Department for Transport has already indicated that the air transport White Paper will form the basis of an NPS on airport developments—something I do not feel I could possibly support. This approach also negates the principle that any consultation exercise must be clear on the effects of the proposals being consulted upon. Designating an existing policy document as a national policy statement would afford it a far greater status in the planning system than the public could reasonably have assumed at the time of the original consultation, when the idea of national policy statements was not even a twinkle in the Secretary of State's eye.

Finally, I wish to outline some of my concerns about how the Bill relates to climate change. Ministers have said that one justification for the Bill is that it will create a structure that speeds up the shift to renewable and lower-carbon energy and supports development of low and zero-carbon building. The fear I have is that it could equally create a structure that allows other applications that are far less positive in these terms to go ahead.

I am certain that Members on both sides of the House share my view that every relevant policy and Bill must have climate change printed through it, like a stick of rock. It feels as if it is simply scribbled on the surface of this Bill. I welcome the proposal that a sustainable development duty be placed on Ministers in preparing national policy statements, but that needs to be strengthened in order to be convincing and fully effective. The IPC should also have a sustainable development duty that would require it to operate in line with the UK's climate change objectives. The Bill should also provide for the monitoring and reporting of that duty by Ministers and by the IPC. I also support the proposal that the independent committee on climate change that features in the Climate Change

[Mr. Truswell]

Bill should be a statutory consultee in the NPS process and in specific applications considered by the IPC.

My time has run out, so I end by saying that I really look forward to the Minister for Local Government, assuring me that the Bill is not the retrograde step I fear. As it stands at the moment, I would have great difficulty in supporting it in its entirety.

6.8 pm

Mr. David Curry (Skipton and Ripon) (Con): It is somewhat surprising to range in a planning debate from Oliver Cromwell to Napoleon Bonaparte, but given the views of my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), I think I had better come down on the side of Napoleon, which might well have been my preference in any case.

When one represents the Pennine dales of North Yorkshire, it is easy to look with a certain detachment upon arguments about terminal 5 at Heathrow, for example. It is a long way from terminal 5 to the Long Preston bypass; most of my constituents would be much more concerned about the bypass, although they will be eager users of terminal 5. That brings us to one of the key points in the debate: planning is not like many other policies or areas of debate. The culture of our political system is to crystallise a difference in view and then to make a choice. Planning is perhaps unique in that it has a role for mediation. It is trying to set a framework in which opinions are collected and weighed and an attempt is made to draw a balance. There are conflicts of interest, and conflicts between individuals and between the community and the nation. The planning guidance and the regional and local plans are all designed to provide some sort of parameter around those conflicts. The result is, of course, a near universal discontent. Businesses complain about the slow process and the anti-development culture within local authorities. Individuals complain about their local concerns being ridden roughshod over and about the absence of an appeal against the granting of planning permission. If we are honest, most Members will agree that when constituents come to our surgeries to talk about planning, it is almost always to ask us to get something stopped rather than to get something done.

We must therefore adopt a hard-headed realism in approaching this debate, because in planning terms the national interest is not the sum of local or individual interests, although the national interest does require the submission of a local or community interest. We need to provide prisons, asylum-processing centres, power plants, new runways and nuclear waste repositories, and we must decide as a nation how we provide them.

International competitiveness, to which the Secretary of State referred as a key reason for the Bill, means that Governments have far less power now than in the past. The choices that they can make are much more restricted, because if we wish to survive as a nation in the global economy we must deliver the conditions that maintain our competitiveness. That means that we do not have the same degree of discretion that we had in the past. Another consequence is that the Government have less power over individuals than previously, because modern technology and the internet have empowered individuals in a way that was not possible even when I first entered the House, when my constituents were perhaps willing to say that I was in a position to make decisions that they were not able to make because I had access to information that they did not have access to. Such information is now accessible to all of them.

On the provisions relating to major infrastructure projects, I am concerned that the Bill might be setting itself an impossible task. It is setting itself to speed up very sharply the process of decision making while simultaneously providing for a complex panoply of consultation, and also ultimately running through it are what I see as blurred lines of accountability. It will be difficult to bring those measures together in a working mechanism. The procedures are top-down because we will have the national strategy statements, but they are bottom-up because of the pre-application consultation procedures, and there is an intermediate bit in the middle, which is the stage of parliamentary scrutiny and the proposals for Select Committee scrutiny. I am unsure how reconcilable those objectives will turn out to be in practice.

It is easy enough to agree on the national challenges that demand a more ruthless approach to planning—I use the word "ruthless" advisedly, and not necessarily pejoratively—including economic interests, which I have mentioned, and the need to respond to the challenges of climate change. They are very new challenges, which are linked. Although the procedures by which the Government intend to address them are clear in their architecture, however, they are much less so in their content; this is a building without any furniture in it—and I am also not quite sure where the directions flow within that building.

How detailed will the national policy statements be? If a statement effectively determines the policy on nuclear power, will the commission have a discretion other than to decide where the plants will be built? Frankly, we all know where any future new nuclear power plants are likely to be built. That is not a closely guarded secret; there are not, as the French would say, trente-six solutions. There are a handful of places, all of which we know of, where they might be built.

Mr. Gummer *rose*—

Mr. Curry: I give way to my right hon. Friend, proud possessor of two of them.

Mr. Gummer: Does my right hon. Friend accept that there are issues to do with such locations even if we know where they will be? My constituents would not want a new nuclear power plant unless there was a proper road on which to bring the materials to it. They should be able to have their say on such issues.

Mr. Curry: My right hon. Friend is absolutely right. It is precisely such nuts-and-bolts issues that concern our constituents. How many heavy lorries will pass by? Will they be tarpaulined if they are carrying infill for sites, for example? What will the access be like? Such questions are crucial to people's standard of living.

Mr. Prisk: I apologise for not having been present for some of the debate; I had Standing Committee business. My right hon. Friend is rightly talking about a gap in the national policy statements. How can one develop a national policy on airports, for example, if the location is not included in the discussion? That is what the Secretary of State seemed to imply at the beginning of the debate. Does my right hon. Friend agree that it is peculiar for the Government to suggest that the House should discuss the national policy on airports without discussing where they should be?

Mr. Curry: I entirely agree. Any national policy on airports is in fact solely about Heathrow and Stansted. Any significant expansion has been ruled out for Gatwick, but there is currently a huge argument about Stansted. I should, perhaps, point out that I live 12 miles from Stansted's central terminal; that is where my family home is. Plans to expand Luton have been abandoned, and the discussion is now about Heathrow. Once again, one does not have to be a prophet to know about such matters. The national policy statement is so close to the planning decision that it is difficult to see a real distinction between the two.

On consultations by the developer, I am always suspicious of anything that talks about stakeholders. North Yorkshire's bid for unitary authority status was based on detailed consultation with the stakeholders who all said that it was a very good idea, but the public did not think it was a good idea at all. The public are not the same as the stakeholder. The public are the public as individuals, not the public constructed into representative bodies. We must be careful that such consultations are real.

What about the decision makers themselves? There might be 45 cases a year—one for every working week, setting aside the inevitable gap over the summer holidays. If the commission has added expert panels—there might be an energy, aviation or water panel—in practice we will ask perhaps three or four people to deal with the cases. They will take a huge degree of responsibility, and they are appointed people. They will not have the quasi-judicial status of the inspectorate even if the Government wish to endow them with that quality. How will they be chosen? Will that be like the process for selecting members of the Monetary Policy Committee of the Bank of England? Will they be nominated for a certain period? Will they be subject to parliamentary confirmation hearings? If Parliament is to be given a new role, it seems a good idea for them to have to submit themselves to parliamentary hearings. Is the expertise required a planning or policy expertise, or is it more important for there to be submissions of a representative nature, following on from the remarks on community engagement? I sometimes think that it is a pity that Sir Michael Lyons is now otherwise engaged, as he served so many useful purposes for the Government when they were in a bind. What is clear is that the commission will not sit on any matter as a college, but it will endorse panel decisions. It is difficult to see it not endorsing them. To whom will it at the end of the day be accountable?

One element of the proposals requires particular explanation. The Secretary of State told us in a written statement of 27 November that

> "the Bill will make it clear that any person who registers an interest can give oral evidence at relevant stages of the inquiry."—[*Official Report*, 27 November 2007; Vol. 468, c. 13WS.]

Yet at the same time we are to have a statutory timetable on inquiries and decisions of perhaps nine or 12 months. How are those two needs reconcilable? We all know that if our constituents come to us and say, "We object to this development, it has been rejected by the council and there will be an appeal," we say, "Don't agree to a written exchange. Make sure you go for a public inquiry, because you will get your voice, that will push the whole procedure back and the developer might walk away at the end of the day." So what happens if the objectors are sufficiently organised to make sure that 10,000 people register their interest? How do the Government intend that their promise that those people's voice will be heard will be compatible with the speed of the decision making which we have been promised?

I do not think the Select Committee will necessarily be of huge assistance in practice. First, there is beginning to be a huge overload of work and commitments, especially if we are to have regional Select Committees as well; the Government have gone rather quiet on that idea, however, so I am not sure where we are on it. They might regard dealing with such matters as their role; if there is to be a major development at Heathrow or Stansted, for example, the relevant regional Select Committee might think that that is much more its business than that of an inter-group, as it were, whose membership is drawn from other Select Committees. How will those involved avoid being swamped by the demand to be heard? What distinct marketing niche can be offered?

We need to know what is envisaged on the reservation to the Secretary of State of decisions on exceptional projects. In a sense, the whole structure exists to deal with exceptional projects. I find it difficult to see at what stage something becomes so extra exceptionally exceptional that is goes to the Secretary of State for a decision. What is the factor X that sends something back to Whitehall?

On the community infrastructure levy, the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) explained that on aspects of the Bill he was confused about whether we were talking about a levy or a tax. I share that confusion, but I shall not draw my confusion to the attention of the House, because his confusion will serve for us both. I hope that both our confusions will be simultaneously enlightened.

Of course, we welcome the abandonment of a planning gain supplement, but it is important to know how the roof tax, as I suppose we will end up calling it, will work in practice and what the relationship will be between the infrastructure levy and the site-specific levy. I understand that they will both be wrapped up in the much-maligned, but extremely useful, section 106 agreements. It is important that social housing, more of which has been built as a result of section 106 agreement planning gain than of any other mechanism, should be maintained. How widely will the infrastructure needs be assessed? Will that be done on a local, area or regional basis?

The regional development agencies are to have competence in this regard. Let us remember that a few months ago the Government were explaining their views on the role of regional bodies and regional agencies, but they are removing accountability to regional assemblies. We do not yet know how RDAs will be made accountable,

[Mr. Curry]

given the huge new planning competence with which they are being endowed by the Government.

There is an argument for some sort of cross-border use of funding. It applies particularly in places bordering metropolitan areas—travel-to-work areas where people go from rural areas into the metropolitan ones. I do not take an ideologically hostile view of such proposals, but there is a good explanation of why it matters to local people if that is to be how the money is used.

We must ensure that the new needs are being met. The emphasis is that they must be new infrastructure needs; this is not about all the old deficiencies. It is sometimes not easy to make a distinction between a long-time aspiration and a specific infrastructure need that flows directly from the development taking place. How will the scheme work on brownfield sites that have been assembled by compulsory purchase orders, which are themselves governed by a statutory provision, where developers might turn out to be the occupiers?

How confident are we that local authorities have the capacity to manage the rather more complex system? All of us have encountered severe problems in the manning of planning departments. An army of itinerant antipodeans seems to park for periods in planning departments as part of a world tour. I hope that some sort of guidance will be available—the industry is talking about having some sort of body to help with this—because if local authorities are to have discretion on what levies they raise, it will be important to have some lubrication of the process to ensure that it works smoothly.

Finally, may I make a small plea? Nothing discredits the planning system more than people who deliberately bend the rules by getting planning permission for A and then doing A and a bit more, such as developing the site a little more densely, making the roof lines higher than suspected or doing something thinking that they can always obtain planning permission later. Local authorities are extraordinarily reluctant to take such matters up, because they think that doing so will be expensive or a barren sort of passage. People rightly get extremely upset when they see that someone has deliberately decided to play fast and loose with the system—we all know that some businesses seem to specialise in doing that—and that there is no, or infrequent, redress.

We want the system to have credibility and legitimacy, but there are huge questions about the legitimacy of the mechanism that is going to be erected. An enormous amount will depend on the people involved, the manner in which they take decisions and the decisions that they take in the early period. If the final decision-making power is to be removed, despite all the apparatus of consultation, the citizen must feel that when a decision is taken it sticks. Decisions that remain more local must be much more rigorously enforced, so that a decision taken is what finally appears. That is a niggly point, but credibility and legitimacy are essential to a system that seeks to mediate between interests that are often difficult to reconcile and that on some occasions may not be reconcilable. Those cultures are hugely important in making the system work well.

6.25 pm

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I welcome the two major proposals that the Government are introducing: the different ways to deal with major infrastructure projects and the community infrastructure levy to try to ensure a general benefit to a community from developments that take place in its area. I agree with the right hon. Member for Skipton and Ripon (Mr. Curry) that one of the interesting aspects of the planning process is that, by and large, one is dealing with projects that are bitterly opposed by those most closely affected by them, although it is essential that such projects go ahead for wider area, regional or national benefit. That is one of the difficulties that we face throughout.

Delays to inquiries into major projects cause genuine concerns. The Government rightly focus on that, and recognise that such projects are important in the wider national interest. It is equally important that we do not introduce a process that is seen to exclude, in any way, the community's involvement in the determination of such matters. We must make it clear that most inquiries into major projects are not decided by elected representatives; effectively, they are decided by a planning inspector. The decision may be referred to the Secretary of State, but the planning inspector who hears the matter on appeal makes the decision, outside the formal democratic process.

The Government's proposal that we set up an infrastructure planning commission is only an enhancement of the current planning inspectorate. I am unsure why they have found it necessary to opt for a completely new and separate commission, because people who would be involved as planning inspectors plus a few experts in particular matters are being called a new commission. Why is it necessary to have a new commission? Should we not just expand the planning inspectorate by adding a specialist wing, which could deal with these matters in the way in which we would expect planning inspectors to deal with inquiries?

On the democratic argument, we should robustly say, as my right hon. Friend the Member for Streatham (Keith Hill) said, that the current system is not democratic in another respect. It is not democratic to have national policy matters—statements of national policy—determined by an individual planning inquiry. That happens at present, because we make up policy at a planning inquiry on an individual application. I welcome the approach of introducing national policy statements, which should then set out the framework that follows an application for a major infrastructure project, to which the infrastructure planning commission would be bound to have regard.

I accept the relationship identified by my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) and the right hon. Member for Skipton and Ripon, and we must work through it in Committee. They noted the fact that when one determines national policy statements on some issues, one almost determines where particular infrastructure projects will be located and, to some extent, one prejudges the decision of an inquiry into a particular project. How do we arrange those two things to ensure that local people feel that they have had a chance to have their voice heard, rather than that a national policy statement has been drawn up, an inquiry has been determined by it and a major project will be sited in their area irrespective of what they say? We need to address an issue about public involvement. We must tease out and work through the relationship between the national policy statements and the process that the infrastructure planning commission will go through.

Concerns have been raised with hon. Members on both sides of the House by coalitions of various interest groups—the Campaign to Protect Rural England has come to talk to me and Friends of the Earth has expressed concerns—about the democratic process and involvement of communities in such matters. We need discussion on the detail of the Bill to give reassurance that there will be room for public involvement and democratic input. I welcome the fact that, at the pre-application stage, before applications for major infrastructure projects are put in, the applicant will be required to consult. That is an important way to enable the local community to make its views heard even before the application is lodged. Even bodies such as the Royal Town Planning Institute, which has generally been more supportive of the Government's proposals than some other bodies, say that we need to get the process right in terms of consultation and democratic involvement.

Ministers need to reflect on two other issues. The Local Government Association has expressed some concerns about the process, but it has generally welcomed it. It said that it wants to see how the role for elected bodies—the local councils—can be entrenched in the process. Perhaps they could be given a special role so that their voice can be heard as elected representatives of local communities.

The Association of National Park Authorities has also raised concerns about the special status of national parks in our planning legislation to ensure that it is enhanced, and not cut across, by anything in the Bill. I received an assurance to that effect when I raised the issue at the Select Committee inquiry on the Government's proposals some weeks ago. I would like Ministers to give further assurances that the role of the national parks authorities, and their special status, will not be undermined by anything in the Bill.

I am confused by one of the major infrastructure project proposals and I do not understand the Government's logic. Despite the proposed establishment of the infrastructure planning commission, with experts, planning inspectors, hearings, consultation and representations from the community, in the end a decision on something as important as a nuclear power station will not be made by the Secretary of State, but by one, two or three inspectors or experts sitting together on behalf of the planning commission. The explanation that I have been given so far is that there is no reason for political involvement because the national policy statements will be the political input and the commission will be expected to operate in accordance with them. However, there are many other matters that are initially determined by local councils and then referred on appeal to planning inspectors and in the end to the Secretary of State for approval. It does not seem right that decisions about where to put a local football ground or to encroach on the green belt marginally to accommodate an extension to a local school, as has happened in my constituency, will ultimately be determined by the Secretary of State, but the decision on a nuclear power station will not. That apparent lack of democratic accountability undermines the rest of what the Government are trying to achieve through this process. I hope that Ministers will reflect on that.

On the community infrastructure levy, I welcome the Government's acceptance of the real problems with the planning gain supplement, as proposed. The Select Committee considered it and we had concerns about some technicalities. We accepted the principle that increases in value from developments should provide some benefit for the public purse, but the proposals had real technical difficulties, especially in respect of the valuation procedure. The Lib Dems said that British Chambers of Commerce was opposed to the proposals, but that ignores the overwhelming support for them from the CBI, the Home Builders Federation, the British Property Federation, the Major Developers Group and the LGA. It is right in principle that if an act of public policy enhances the value of a private asset, the owners of that asset should make a contribution to the public purse over and above any direct cost of the development itself. We are trying to capture the planning gain for the public purse and the public good.

In the past, section 106 has been expanded to try to incorporate some of those arrangements, although there are some doubts about whether all such arrangements have been legal. They have usually been made after consultation with, and with the consent of, the developers concerned.

Jeremy Corbyn: On the question of section 106 payments, does my hon. Friend share my concern that they are often negotiated and the money is sometimes paid in lieu of housing development by housing developers in big cities, which does nothing for social housing? On other occasions, it is paid to the local authority to enhance the community with sports facilities or something, but that does not happen and the money sits in local authority accounts for year after year with no benefit to the community. It is unclear what happens to the interest payments on that money, let alone what it is eventually spent on. Should not there be a tougher process to ensure that the community gets a more foreseeable and immediate benefit?

Mr. Betts: My hon. Friend's comments have a ring of truth, and I am sure that many hon. Members and people outside share that view. Ultimately, section 106 agreements are a matter for local authorities, and central Government cannot be too prescriptive. In the past, I have regularly encouraged Ministers to issue firm guidance on section 106, and there could be some naming and shaming of authorities that do not use 106 agreements for the intended purposes.

It is unclear how section 106 will relate to the new community infrastructure levy. Presumably section 106 will still be used for affordable housing, parks and community centres. However, if a road is needed to connect a new development to a main road, is that infrastructure that has to be funded out of the community infrastructure levy or can it still be funded out of 106 funding? If 106 funding is agreed for particular items, will it reduce the tariff payable, or will the tariff be fixed in respect of the 106 contributions? In Committee, we will have to examine the 106 funding arrangements and their relation to the community infrastructure levy. Does an increase in one mean a reduction in the other?

[Mr. Betts]

In general, the CIL will be better than the PGS, because the former will be part of the planning system, variable at local level and determined by local councils as part of the local development framework, and it will therefore relate more to local circumstances in which it is collected and spent. However, we need to examine precisely how it will operate and its relationship with other provisions, such as section 106.

Opposition Members have raised the issue of whether the levy might be required, or possibly allowed, to fund sub-regional and regional infrastructure projects. We have to be clear about whether there will be a requirement by the Government for local authorities to make contributions from their levies to such projects, or will authorities be permitted to contribute if they want to do so? I think that that is what the Secretary of State said earlier, but we will need greater clarity on that point.

The levy will not be a simple tariff, such as that in Milton Keynes, where the developer pays a certain amount for each individual house that it has built. As my right hon. Friend the Member for Greenwich and Woolwich said, the levy can vary by type of development, purpose of development or description of development, although not by location. There is an omission from the legislation. Presumably, if a development takes place in an inner-city area, as opposed to a suburb, we would want a power for the local authority to vary the levy according to location. Ministers should consider whether the current variability of the levy is sufficient.

I support the comments made by my right hon. Friend the Member for Greenwich and Woolwich. I do not understand why the word "value" is included in the Bill in relation to the potential regulations. If we are not going to have a planning gain supplement or reference to a complicated method of trying to identify how much the value of a site has been increased by planning permission, why does the Bill need to give a local authority the right to vary its tariffs according to the increase in value of a site because of planning permission? Ministers will get themselves in an awful mess if we leave the valuation process in the Bill. Presumably the whole intent of the levy is to get away from that and to have a system that is determined by planners, in discussion with developers, on a much simpler and more certain basis. At the same, there should be some flexibility in the levy, so that it can be varied according to the type of development, and hopefully its location. Clearly, there is a balance to be struck between flexibility and certainty, but Ministers should reflect on the whole issue of including valuation, as otherwise we are going to get into some real difficulties when it comes down to practical examples of calculating the value of the levy.

There is one issue that has not been mentioned very much in the discussions about how far we are enabling an increase, or causing a reduction, in democratic input into the planning process. Local member review boards are to be set up to ensure that more decisions on planning matters, particularly smaller ones, are not referred outside the democratic process, to the Planning Inspectorate, but are dealt with inside the democratic arena, with reference to another board of members. We should welcome that. The Local Government Association has certainly welcomed it. The Government should be congratulated on giving more responsibility back to local councils, and putting more trust in them, in a way that most of us would welcome.

In general terms, I welcome the proposed legislation. The Government are right to highlight the problems with major infrastructure projects and to bring forward a system of dealing with those projects in a particular way. There are concerns and questions about community and democratic involvement, which we need to tease out as the Bill progresses. It is right to bring in the community infrastructure levy to ensure that the public purse benefits from the gain to private developers when planning permission is given. There are lots of questions about how that will operate in practice. It is also right to set up the local member review boards, as a commitment to the local democratic process, which I know that fundamentally the Government support.

6.42 pm

Mr. Robert Syms (Poole) (Con): First, I draw Members' attention to my entry in the Register of Members' Interests, so that they are clear that I have an interest in a family business.

Planning causes more anger and concern among my constituents than virtually any other issue. In my constituency surgery, I probably see more people about planning than any other issue. Any Government who seek to change and reform the system are very brave because planning is an issue that angers and moves people. It is rising up the political scale—a situation that is likely to get worse. We are a nation of owner-occupiers and people relate almost everything that goes on in their neighbourhood to the value of their home. Even when something might put up the value of their home, they always presume that it is going to reduce it. That tends to make people very anxious about what goes on.

As a nation, one of our problems is that occasionally we have been too parsimonious in the compensation that we have paid people who live in the vicinity of very large infrastructure projects. Sometimes people feel that they are going to lose out, whereas if there were a far more generous scheme, we could speed up the planning process and allow people to be bought out. I have always thought that we ought to be a little more French when it comes to our large infrastructure projects. Clearly, there has been something wrong, over years, when it has taken a long time to produce something that is of overwhelming national interest. In the case of terminal 5, Schiphol and de Gaulle airports have added various runways in the time that it has taken us to get one more terminal at Heathrow. Our European competitors sometimes benefit from a much more streamlined system.

Nevertheless, I am concerned about what the Government are suggesting in terms of the national policy statements. Clearly, one can set what might have to be a national target for the number of people who want to use airports or for the amount of energy that should be produced, but I am not sure whether one should discriminate between one form of energy or another in a national policy statement. Many of these things are market driven, and markets move. If politicians set a particular objective in a planning statement, in a short space of time the economics of their proposal may well change. I wonder how specific the policy statements are going to be. Will they specify X nuclear power stations, or will they specify what might be needed, on the one hand or the other, to meet a balanced energy policy?

Rather like other Members who have contributed to the debate, I am a little concerned that the national policy statements will be too specific on a particular objective and that, as a result, they may do a lot of the work of the infrastructure planning commission by pre-determining what may be in the national interest without paying regard to the various options and alternatives and to what is happening in terms of the world economy. I am concerned about how those things will interact.

I also have a concern—this point was raised ably by the hon. Member for Sheffield, Attercliffe (Mr. Betts)—about the infrastructure planning commission. The Secretary of State may well be able to determine smaller applications, but that body may well determine some substantial decisions, such as those on nuclear power stations. In the same way as the perception is that the Foreign Office represents foreigners, we may well get a situation in which the infrastructure planning commission will represent the large infrastructure planning projects and be seen by most of my constituents and many people in this country to lead in those areas. Like many other contributors to the debate, I have a concern with the experts, rather than people who are neutral, who will make a judgment on some of these things.

We need to speed up the planning process, but I am not sure that this proposal will do that, or do it in a way that does not cause great concern. At the most extreme, we have seen examples of civil protest. We have only to consider the Newbury relief road, and the cost that was added to that project by security, to understand that although we may on occasion be trying to save money on planning in the Bill, there may be other costs because of the civil disobedience that might occur if people do not feel that the system is fair.

I welcome what the Government are doing with the community infrastructure levy. The original proposals were flawed and the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) set out that the Bill is not entirely clear about how the levy will develop. However, a low tariff that captures some value from all developments, including one-home or two-home developments, is a much better way of doing things in the long term. Clearly, a lot of questions need to be asked.

The Secretary of State said that there might have to be a regional or a county levy. Any source of money that is raised via a form of taxation will always be prone to Treasury interference. In the case of the grant settlement for police authorities, there is a formula to share the money. In the case of council housing rent, there is a national fund. Money is taken from some housing authorities and given to others. I cannot believe that a situation in which there will be hundreds of millions, if not billions, of pounds, and some authorities will get considerably larger sums of money than others, will not become a key item in relation to which the Government will need to build in some kind of transfer of resources.

The Treasury may well lose capital gains tax on some projects as a result of the measure and therefore will be tempted to interfere. The amount of money raised will be substantial, so we need to know a lot more. What will happen to the interest on such moneys? Will there be pressure to spend the moneys within a particular time? Will authorities be allowed to passport money to other authorities if they perceive that there is some benefit to them?

Although my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) joked about his constituents not wanting to pay for Luton, there might be an interest in a Luton airport expansion that provided some money for the region. That might be legitimate, but such a scenario might also be legitimate in relation to the extension of a motorway or a spur road that may not be within a particular council area, but may have an impact on businesses or vehicles going to that area. In East Anglia, for example, there are some quite isolated communities. Improving roads 20 or 30 miles away might have a benefit. We need to know how money can be moved around, so we need much more detail. I hope that the Public Bill Committee will be given that when it considers this important proposal.

I raised conservation areas earlier. If more freedoms are introduced for people involved in the planning control system, will the Under-Secretary of State for Communities and Local Government, the hon. Member for Gloucester (Mr. Dhanda)—if he is winding up the debate—tell us how that will impact on conservation areas? Clearly, there will be concerns that if people are allowed to do various things in Georgian areas, even if they are environmentally friendly, that might have an impact. We need a clear statement on where we stand.

We need a little more information about what can be done about development control, which most of my constituents consider a serious issue. There are a lot of people in Poole who use the planning system to get what they want—plus a bit. They create valuable developments by breaking the spirit of the system, and sometimes by deliberately breaking the law. We can all be blasé about the millions of pounds that are made through planning applications, and there have been a lot of major developments, especially infill developments, in Poole. The system does not give local authorities' development control people enough clout to deal with those who wilfully try to ride roughshod over the system. The fines need to be substantially higher, and the process and timetable to deal with such transgressions need to be faster. As the Bill goes through the House, especially in Committee, I hope that Ministers will look carefully at the real value that people get. Many development control officers are at a great disadvantage when dealing with people who break rules and regulations and ride roughshod over the system. The Bill might be an opportunity to deal with that problem.

We have heard the Bill described as a house with no furniture. Although I welcome some aspects of it, we will need a lot of detail before we will know whether its architecture will work well. The Government must be careful about national planning statements, and the infrastructure planning commission is probably a move in the wrong direction. Like many hon. Members who have spoken, I think that it would have been better to have gone down the route of the Planning Inspectorate. The community infrastructure levy—if it is a levy—

[Mr. Robert Syms]

represents a much better way of raising money, given its transparency and the fact that it should be simpler. More importantly, while complicated section 106 agreements employ lawyers for ever—some cases take two years—the measure should cut a lot of lawyers' bills and the effort that they have to put into the planning system. If the proposal speeds up the system and allows people to do their calculations, it will be welcomed by both industry and those in government.

Opportunities have been missed, however, so I hope that the Minister will at least look at whether we can increase fines and the powers of local authorities so that they can deal with people who transgress. Problems are being caused by the great shortage of decent planning officers because the private sector has taken good planning officers from the public sector to become private consultants. Nevertheless, we need to strengthen our local authorities' ability to deal with those who transgress.

6.53 pm

Dr. Desmond Turner (Brighton, Kemptown) (Lab): We have heard a lot about respect for local democracy and communities' input into planning decisions. That is to be devoutly welcomed, because we have probably all been involved in that process at some point in our careers. However, we must ask ourselves whether a planning system that is built on that premise is fit for purpose in the modern age. Unfortunately, given that addressing climate change is probably the most compelling political driver of national policy, and that one of the most powerful ways of addressing climate change is to decarbonise our energy economy by deploying renewable electricity generation as rapidly as possible, we are not doing terribly well.

If we pursue a position of "business as usual" in all circumstances that either help or make life difficult for renewable energy developers, the renewable energy generation target of 10 per cent. by 2010 will be quite unattainable, while the target of 20 per cent. by 2020 also looks more than a little sick. We have a country with some of the richest raw renewable energy sources in the world, yet we are failing to make progress. That is a bizarre and unacceptable fact, and we cannot go on that way, which is one compelling reason why we must address the planning system.

Martin Horwood: The hon. Gentleman is quite right that we have enormous renewable energy resources. We certainly have more wind resources than Germany, a country that has developed much more renewable energy than us, but which has achieved that mostly through feed-in tariffs that give a guaranteed price for renewable energy. Would not such a measure make a more significant difference than anything in the Bill?

Dr. Turner: I am aware of the point that the hon. Gentleman raises. He is quite right about the fiscal measures, but we have a multi-factorial situation. Fiscal measures are one factor, while the planning system is an equally important factor in determining progress on renewables in the UK. We need to get all the factors right, and we are addressing the planning system today.

At present, we face the problem that planning and environmental consenting procedures incur enormous delays, both on land and at sea. While onshore wind farms attract most controversy, it is a sad fact that the environmental consenting procedure for a major offshore wind farm in this country takes twice as long—more than three years—as in Denmark or Germany. That lead time creates a deterrent to investors and means that we do not get carbon-free energy as quickly as we might.

A further problem is that even when such projects receive consent, nothing can be done, because they cannot access the national grid due to its inadequacy. The strengthening of the grid is affected by the planning system because, under the present system, it can take 10 years to agree a grid line. In part, that is because such a line would inevitably pass through several planning authorities, all of which must give consent at every stage. There is clearly a lot of logic behind the infrastructure planning commission, which, in the context of climate change, will be essential.

The UK is breaking new ground with the Climate Change Bill. As far as I understand, the principle behind that Bill is universally accepted throughout the House. No one will stand up in the Chamber to say, "We shouldn't be cutting our carbon emissions." However, whether that Bill is ambitious enough or not, it will be quite useless unless we put in place the nuts and bolts in other legislation that will actually deliver carbon savings. The planning system happens to be one of those nuts and bolts.

There are 200 wind farm applications stuck in the planning system. That represents 8,000 GW of capacity that is desperately needed if we are to meet our renewables targets. Streamlining the process is therefore vital. I will not argue about whether the IPC is the right mechanism. Tonight, I have heard interesting arguments for and against it, but I do not know how different, in practice, it will be from the existing system of planning inquiries. However, it is important to note that infrastructure projects will be referred to it. An infrastructure project is not necessarily local. A grid line cannot be regarded as local; it can run for hundreds of miles. The sources of renewable energy are not located conveniently in the areas where we want to use electricity, or where we live. They may be off the north-west coast of Scotland or elsewhere, so the issue is very much national, and it is increasingly supranational. We must have a mechanism that can transcend the essentially local nature of our planning system. The IPC will at least do that.

Of course, we have another problem: the process stops at the border with Scotland. I shall be interested to hear from Ministers on how they envisage our future relationship with the Scottish Parliament on planning, when it comes to dealing with infrastructure issues that affect both countries. Those issues probably affect us more than Scotland, because Scotland has more of the renewable resources that we want to access, but it has the legislative power to enable the exploitation of those resources. I have not heard that issue mentioned so far in this debate; it needs to be seriously addressed if we are to succeed. Not all of devolution was easy, and the issue that we are discussing is one of its more difficult aspects.

There is another interesting point about the commission. I have spent the last two hours of the debate reading the clauses on the operation of hearings. To take once again the example of a grid line, if it goes through four or five counties, will they all be represented at the hearing? What mechanism is there for trying to select the people who will present their case at the hearings? If, for example, a six-month timetable was set, and a great many people wanted and demanded to be heard in the public hearings, it could become impossible to work the system. That is a practical issue on the conduct of hearings that the Government will need to think about carefully.

The Government need to think a little more about the definitions on renewable energy projects that have been set for the reference of the commission. The 50 MW limit for onshore projects is probably reasonable. That leaves a lot of the probably more controversial local projects to be decided on under the current local planning system, and I do not argue with that. However, the 100 MW offshore limit will create, or rather will fail to resolve, problems for marine technologies.

It is one thing for a 100 MW-plus wind farm to carry the significant costs of the environmental impact assessment that has to be done, and that will presumably continue to have to be done. Such assessments are among the things that take up the most time. The same exacting requirements are placed on much smaller projects involving new marine technologies, such as wave and tidal stream power. Those projects are inevitably smaller, because the technologies are only just emerging into the commercial world, but such projects still have to undertake an environmental impact assessment of the same rigorousness. It takes just the same time, and costs just as much, whatever the size of the project. Let us say that a person who is putting in place the first 1.2 MW commercial demonstrator machine has to pay £2 million for an environmental impact assessment. It would cost the same amount if they were developing a 100 MW wind farm, but if we think of the amount as a percentage of the project costs, it starts to become very burdensome for smaller projects.

I agree with the British Wind Energy Association's suggestion that, for marine projects, we should amend the Secretary of State's reference limits to a level much lower than 100 MW. In practice, although newer technologies are developing, initially they will produce only 10 or 20 MW at a time. Inevitably, it will take them years to get up to the 100 MW level. One cannot entirely eliminate the development phase; it is crucial if we are later to get the very large yields of power that such technologies can deliver, and if they are to contribute to our carbon-saving ambitions. I strongly suggest that Ministers consider reducing that 100 MW level for all offshore marine projects, possibly to 10 MW or even lower. Perhaps they should do so specifically for non-wind projects. Certainly, non-wind projects need that help.

There is potential for considerable improvement to the IPC. However, irrespective of its form and the details of its operation, the single most important thing about it is the strict time scales in which it will operate, which mean that we can potentially save years in the planning part of the development cycle. We will reap the dividends in the form of millions of tonnes of carbon dioxide that will not be emitted and vital new green industries that will be set up in this country.

That does not alter the problem of all those projects that are still stuck in the planning system, because the new system will not be operational until 2009. My plea on behalf of the developers of such projects is for Ministers to do all that they can to take a stick to local authorities to make them produce quicker decisions. They should also take a stick to the Department for Business, Enterprise and Regulatory Reform, because it takes an enormous amount of time to deliver consents under section 36 of the Electricity Act 1989. Interestingly, most of those consents are for Scotland. We have a curate's egg of a situation: in some respects, we have all sorts of powers over things that happen in Scotland, yet in other respects we do not.

The existing great mix of responsibilities with respect to planning and consents needs to be resolved. The Bill represents an important step on the road towards achieving that, but there are a few important details that need to be considered carefully.

7.9 pm

Hywel Williams (Caernarfon) (PC): I shall concentrate my remarks on clause 5, on national policy statements, and clause 9, on sustainable development. I rise to speak because I am interested in the subject, but my hon. Friend the Member for Meirionnydd Nant Conwy (Mr. Llwyd) would be here in my stead had he not been called to another engagement. I am not seeking a place on the Committee, but I am sure that he would pleased to be invited to serve on it.

I speak as a Welsh MP, and I should first refer to the use of the word "national" by the Secretary of State, throughout her remarks, and by other hon. Members. There are concerns about the accountability of the infrastructure planning commission. In Wales, we have the National Assembly, which is democratic and accountable and takes decisions on planning matters in Wales. I would like the Minister at least to give the House an assurance that the Bill will not in any way limit or curtail the National Assembly Government's current planning responsibilities.

I want to deal with three main matters of specifically Welsh importance. The first of those is the infrastructure planning commission—yet another body that will operate on an "England and Wales" basis despite our having the National Assembly for Wales. Some aspects of its work will be concerned with England only, but the national context is unclear and can be contested in some respects. In clause 15(1), it is sometimes "wholly in England", sometimes "wholly in Wales", sometimes

"partly in England and partly in Wales",

and sometimes

"partly in England and partly in Scotland, subject to subsection (2)."

When the definition of "national" is so unclear, what can be the basis of decisions in national policy statements? Clause 13(1) lists nationally significant projects—that is, "national" as defined by those projects that are national. This is a self-referring source of definition—an operational definition, perhaps, which is sometimes useful. In effect, however, "national" is defined in the context of what are nationally significant projects. Under clause 13(3), the Secretary of State may amend the list of nationally significant projects by order for England,

[Hywel Williams]

but not for Wales. In *some ways, "national"*, as far as England is concerned, is what the Secretary of State says it is. It is very confusing.

In terms of the national Welsh interest, I could cite examples such as the gas pipeline running from west Wales to the Welsh border with England. If one defines "national" as relating to Britain or to England and Wales, that is certainly a project of national importance with great benefits for end-users, but one would question its benefits for Wales. The route of the pipeline has caused huge controversy, with sit-ins and demonstrations throughout south Wales, and the environmental degradation that has occurred in many constituencies has been a matter of hot dispute. We have had bitter experience in the past of projects that are apparently of national importance but have a deleterious effect in Wales. In 1936, a school was established in my constituency, for national reasons, to teach aerial bombardment. I will not go into that piece of history, but there was a great deal of opposition locally. In the neighbouring constituency of Meirionnydd Nant Conwy, in the valley near Bala, the Tryweryn river was dammed, and people were ejected from their homes. There were huge national demonstrations, and every MP from Wales bar one voted against it in this place. The idea of the national interest is not clear in the Bill, and I hope that the Minister will be able to address that in Committee.

The question for me, as a Welsh MP, is: why not devolve these planning matters, including building regulations, to the National Assembly Government—the democratically elected and accountable body that covers Wales and already considers such matters? The Assembly Government could establish a body similar to the IPC, which would want to work closely with the IPC in England. A prime example of the issues that it might consider, and a matter of immediate concern for us in Wales, would be the Severn barrage. We consume more electricity than we produce, despite the fact that we sit on huge reserves of coal and have huge potential alternative sources of energy. The Severn barrage could power a regeneration in manufacturing industry in south Wales. That is a national Welsh question that could be addressed by a similar body in Wales. Throughout Wales, we have the potential for all kinds of power generation from wind, wave current, hydroelectric and even pump storage schemes, many of them over 50 MW. Hon. Members might want to refer to the report on energy by the Welsh Affairs Committee, which explored those matters in great detail; it is not as if I am springing a surprise on anyone. The difficulty that the Government might face, or want to point to, is the nuclear question. I am prepared to say that reserving that to the UK Parliament might be one potential solution, although I would not happy with it. Will the Minister at least assure me that there will be no diminution of or interference in the powers of the National Assembly?

My second point is the appointment of commissioners. Will they be appointed on the basis of expertise in their subject or, as the right hon. Member for Suffolk, Coastal (Mr. Gummer) suggested, expertise in judging matters and coming to decisions irrespective of technical expertise? Will they reflect particular sectors of the economy or regional interests? Under the Bill, the National Assembly will be able to nominate a commissioner for Wales. At some point, that commissioner might sit as a single decision maker instead of decisions being made by 60 directly elected and accountable Members of the National Assembly. That is the second-best option, to say the least. Clause 62 says that when there are exclusively Welsh matters to be considered, the Welsh commissioner will be appointed to the panel "if reasonably practicable". That means that the commissioners might be deciding on land use in Wales with a Welsh commissioner only if it is reasonably practicable; presumably, it might not be, and the other commissioners will have no connection with Wales. As an aside, I refer hon. Members to the Welsh Language Act 1993, which says that English and Welsh are to be treated on the basis of equality when it is

"appropriate in the circumstances and reasonably practicable".

That little phrase has been the subject of a huge amount of controversy in Wales, and rightly so. We are about to have a commissioner appointed to consider matters in Wales "if reasonably practicable". In what sense, therefore, will the commission be accountable to the people of Wales or to the National Assembly for Wales?

Schedule 1 deals with the infrastructure planning commission. When appointing commissioners, it is reasonable to expect them to have some knowledge or ability to perform functions in accordance with the pursuit of sustainable development. That is another imperative we might bear in mind when appointing commissioners.

Will there be an IPC office in Wales? Will the IPC act in accordance with the Welsh Language Act 1993? Compliance among similar bodies has been something of an afterthought—usually when someone such as me complains. In contrast, when the office of the Children's Commissioner for Wales was established, it was bilingual from day one. It has a bilingual site, and people are able to present information in Welsh and English. These are not minor matters as far as Wales is concerned, and I would like the Minister to assure us that the Government will take a proactive stance in discussing them with the Welsh Language Board, which has the statutory responsibility in this field, rather than wait until someone such as me gets up to complain.

I turn to broader issues relating to sustainable development. Clause 9 is weak because it applies only to the drawing up and reviewing of national policy statements, not to the work of the infrastructure planning commission, and it provides no definition of sustainable development. I compare that to the Government of Wales Act 2006, in which the National Assembly for Wales is charged with the duty of acting in a manner consistent with sustainable development. Clause 9 contains two short sentences, but section 79 of the 2006 Act says that Welsh Ministers must

"make a scheme…to promote sustainable development".

Clause 9, on the other hand, says

"with the objective of contributing to the achievement of sustainable development."

We are talking about two different things—promoting and contributing. From time to time, the Welsh Assembly Government have had to revise their scheme. Before doing so, they must consult and publish the revisions, and at the end of every financial year, Welsh Ministers must publish a report on how the proposals set out in the sustainable development scheme were implemented in that financial year. Such sustainable development provisions would be very welcome and would strengthen the Bill immeasurably; I commend them to the Government. They were passed by this Government, after all, in the 2006 Act.

Under clause 9 there are several matters that the Secretary of State should consider in carrying out the duty of contributing to sustainable development. They include international obligations, for example, under the habitats directive. One thinks of the Severn barrage and the intertidal zone that might be lost there. There are several international implications.

Mr. John Hayes (South Holland and The Deepings) (Con): I have been listening carefully to the hon. Gentleman's contribution, and I am particularly interested in his comments on sustainable development. The Government have laid out their criteria for sustainable development, but they do not underpin this policy and there will not be a duty on the commission. Does he think that the Government would be open to judicial review on the grounds that their policy could easily be contradicted directly by the commission in practice?

Hywel Williams: I thank the hon. Gentleman for that point. That might very well be the case, and other hon. Members have remarked on the lack of joined-up thinking, or joined-down thinking in the case of this Bill, with respect to the Government's other policies.

The other matters that should be considered under clause 9 are the carbon implications—targets set up for carbon emissions established under the Climate Change Bill—and the biodiversity duty in section 40 of the Natural Environment and Rural Communities Act 2006, which deals with constraints on various resources such as water and land. We may also need to consider possible alternative policies to respond to increases in demand, such as taxation or expenditure on rail as an alternative to runways. A huge number of points could be considered.

Expanding the range of national policy statements referred to in clause 5(1) could include nature conservation or different options to manage demand and to manage the pressure for infrastructure development. There are several ways to go about that. We could add to clause 5 requirements to include in national policy statements an account of the conclusions arrived at under the sustainable development provisions in clause 9, so that one would inform the other. In clause 94, we could include a requirement for the IPC to consider sustainable development when dealing with applications for infrastructure development, rather than just having the Secretary of State consider such matters when drawing up policy statements. The IPC could consider them as well.

Lastly, there is the question of consultation and the right to be heard. The point about airports is not a matter for Wales—it is restricted to England for very good reasons—but there is a strong argument for listening to the views of people who will be affected by aircraft noise, not just people in the immediate environment of the runway. Those considerations are very serious and have persuaded me, and my hon. Friends in the Scottish National party, to oppose the Bill at this stage.

7.26 pm

John McDonnell (Hayes and Harlington) (Lab): This is an important Bill. I would not extend its importance as far back as Cromwell, as the right hon. Member for Suffolk, Coastal (Mr. Gummer) did, but from the Secretary of State's point of view it does go back as far as Dalton in 1947. It will set out the planning processes for the forthcoming generation.

The Bill is also important for my constituents because the first major infrastructure project likely to be considered under the new process will be the third runway and the sixth terminal at Heathrow, which could lead to 10,000 of my constituents losing their homes and the demolition of three of their primary schools. It would mean the largest forcible removal of people from their communities since the Scottish clearances. I have looked at the latest consultation document and the new flight paths, and we now know—as we predicted—that BAA has made a proposal for an extended runway, not a short-take off one, which will impact on St. Peter's and St. Paul's mediaeval church in my constituency, and St. Mary's in Harmondsworth—a church with a 1,000-year history. We think that they will be rendered unusable, and we will be back where we were three years ago, with proposals to disinter our dead because of this plan. The Bill is important for me, my constituents and my communities.

Much has been made of the experience of terminal 5, and I agree that the genesis of the Bill does come partly from the experience of terminal 5. However, it also comes from a lobby by BAA and the aviation industry over a long period, in their planning for the third runway and the sixth terminal and, I say to this House, in their planning for a fourth runway and a seventh terminal in due course, as admitted by former BAA policy planners. The Prime Minister, then Chancellor of the Exchequer, appointed not just one, but two experts to develop the Barker report and the Eddington report on transport and planning. To the shock, horror and amazement of all Members, I am sure, the appointment of the former chief executive of British Airways resulted in proposals to expand airports.

Mr. Gummer: Would the hon. Gentleman care to comment on the fact that the report not only suggested the expansion of airports, but that we should not have high speed trains? If ever there was a fatally flawed report, it was that one.

John McDonnell: Of course, Sir Rod Eddington came to it with a balanced view gained from his aviation background, and ignored all other representations made by any other sector of industry in this country.

I have experience, too. I was at the terminal 4 inquiry. I gave evidence to the terminal 5 inquiry. I have been involved in every major planning issue to do with Heathrow for more than 30 years.

There is a sense of irony that BAA and even the Government are arguing that delays in the terminal 5 process have contributed to the introduction of the

[John McDonnell]

Bill. I was at the terminal 5 inquiry and the delays that I witnessed were caused by BAA—the developers. It continuously changed the proposals it was advocating, it changed its position almost weekly and it used banks of lawyers and experts who swamped the timetable of considerations at the inquiry. That is understandable—it was difficult for BAA. It was trying to prove an unsustainable argument: that the airport could be virtually doubled at terminal 5 without any impact on noise, air pollution or local communities. It used expert after expert, year after year, to try to press that argument.

Others, including the London borough of Hillingdon, the anti-noise group HACAN ClearSkies, the residents associations and Friends of the Earth were more limited. I congratulate them on the expeditious presentation of their arguments. They wanted to arrive at a decision. They were poorly resourced, but they intervened well at the inquiry.

David Taylor (North-West Leicestershire) (Lab/Co-op): My hon. Friend speaks persuasively about Heathrow, the largest passenger airport in the country. The largest numbers of freight aircraft use East Midlands airport, and it is not entirely a flight of fancy to envisage that the Government, in their fourth term, or perhaps another Government, might desire a second runway at that airport and ram it through using the infrastructure planning commission. That would mean a total lack of accountability against all the environmental, community and economic considerations. That is an open invitation for a judicial review, is it not?

John McDonnell: Unless the Bill is amended significantly, I warn those hon. Members who may have a major potential development in their area—an airport, or any other hazardous development, such as a nuclear power facility—that their constituents' voices will not be heard. I warn those hon. Members that the process will enable Governments, developers and those who want to make profit out of the degradation of our local environments to ride roughshod over local views.

The issues that were thrown up by the terminal 5 inquiry included the management of the process, the number of applications, the changes in applications during the process and the timetabling, but from my point of view they also included time wasting and the fact that no sanctions were applied against the developer who was wasting that time.

Delays were obvious throughout that inquiry, and I believe that inspectors have commented on them. There was also a lack of resources for the objectors. However, the decision making was consistent and balanced. I did not agree with the decision of the inspector at the terminal 5 inquiry, Mr. Vandermeer, but I understood it. My constituents did not agree, but they understood. It was balanced: terminal 5 would be allowed, but there would be no further impact on noise, pollution or local communities.

Even BAA agreed with the decision. Why did it agree? It agreed because its representatives stood up at the inquiry and promised that if it got terminal 5 there would be no representations for a third runway or sixth terminal. BAA wrote to me and my constituents and informed us accordingly. Its representatives stood by my side at a public meeting to assure my constituents that if BAA got terminal 5 it would not press for a third runway or future expansion at Heathrow. That was accepted by the Government.

The then Secretary of State for Transport stood up in this Chamber, accepted the inspector's decision and capped air traffic movements at Heathrow, and said that there would be no further expansion of Heathrow on the basis of the inquiry. A consistent decision was made at the inquiry based on the evidence, and the Government adopted due process. That proved to be a deceit by BAA. We now know that while it was writing to me and my constituents and standing on platforms with me, it had started the lobby for the third runway and the sixth terminal. It was lobbying within months. Within 24 months, the Government had started the process of the development of the third runway and sixth terminal. The failure in the system was not the inquiry or the planning process, per se, but decision making at ministerial level, unduly influenced by the aviation industry.

The aviation White Paper enabled the Government to dress up the decision to go forward and fed into the process of developing the Bill; it took no account of the climate change considerations at the heart of Government. We now know that the then Chancellor of the Exchequer was developing the various discussions on the impact of climate change while the aviation White Paper was being developed. The White Paper largely ignored the Government's integrated transport policies and the views of the Mayor of London, local authorities and the local people who would be affected by the major expansion of airports, not only at Heathrow but at airports all over the country.

So, what is the situation now? We are now operating in a hybrid system. It is the worst of all worlds. The aviation White Paper was drafted and dominated by the aviation industry lobbying the former Chancellor. The consultation paper that will be out for the next few months was drafted and virtually dictated by BAA, with the evidence modelled by BAA—that is the information that we have received under the Freedom of Information Act 2000. The consultation is degenerating into farce. There will not even be an exhibition held in the village—Sipson—that will be wiped out by the sixth terminal, as the hon. Member for Uxbridge (Mr. Randall) pointed out during questions last week.

We are told that we need to await a planning application. To be frank, following statements made by the Prime Minister in his speech to the City of London, by the Secretary of State for Transport and throughout the media, what inquiry into the extension of Heathrow can be held in a free and fair atmosphere?

I am worried that the new system takes the worst of the current system and removes the best. A pre-application consultation is promised. Those who have experienced pre-application consultations by developers will assure hon. Members that they are not independent. Who drafts the reports? The developer. Will they be open to challenge? They never are. Will they be open to amendment in the light of the challenges put forward by those on whom any development will have an impact? No, they will not. Are they consensual? No. They provide no protection. At inquiries under the new system, will there be a right to be heard? No. There will be the potential of open-floor sessions. That is not the same as the right to be heard; it is a privilege to turn up only. Will objectors be able, as a right, to interrogate witnesses? No. The inquiry process from the objectors' point of view will be gutted by the proposals, as far as I can see.

I welcome the additional resources in the Bill, including the additional £1.5 million for Planning Aid, which might help objectors. However, if there are to be 45 major infrastructure developments a year, as we have been told by the Secretary of State, the £1.5 million allocated to Planning Aid to assist local objectors, residents and environmental groups is trivial. It will in no way enable those groups to have an effective voice in the process.

Andrew Stunell (Hazel Grove) (LD): The hon. Gentleman is making a powerful argument. Does he agree that the central question, when all the inquiry business is finished, is whether the inquirers—the commission—will be able to say "no" to the projects? Will it have that independence of thought and ability? Is not that the crucial question?

John McDonnell: That is a valid point. Will the individual members of the commission be independent? A lot will depend on their appointment and the processes of that appointment. What worries me even more is that the commission, as the decision maker, will not be politically accountable. Whatever we think about the process at the moment, a Secretary of State—accountable to the House and, ultimately, to the electorate—signs off the final decision on major infrastructure projects. That is democracy. I believe that the commission's insertion between the electorate—those who will endure the planning decisions—and the House means that overall accountability breaks down. I accept the point of the hon. Member for Hazel Grove (Andrew Stunell) and I, too, am concerned about commission members' independence, but independence sometimes derives from accountability when people feel that they can be held to account throughout the due processes.

I asked the Secretary of State about the status of the policy statements and whether they would be amendable in the House. Her response was that there would be scrutiny, but that is not the same as being capable of amendment. Policy statements will therefore be similar to the aviation White Paper, and limited in their consultation—the Bill contains no details of the methods of consultation. They will not be capable of amendment by the House and will therefore pre-empt local decisions because they are not simply general policy statements but can relate to specific geographical areas and projects.

Mr. Hayes: Will the hon. Gentleman give way?

John McDonnell: I apologise to the hon. Gentleman, but I am short of time.

Any attempt to incorporate the aviation White Paper into a policy statement would be an abuse of power because it has not gone through the exhaustive process of consultation, dialogue and discussion that any policy statement would be expected to undergo, especially in my community.

There is a genuine problem with the Bill, which could undermine confidence in the planning system. Yes, there is need for reform, but not this one. The measure is a retrograde step. We need a progressive reform based on openness, transparency, equality of opportunity and of resourcing, firm rights and independent and consistent decision making. We want democratic reform. I warn the Government that, if trust in the process breaks down, people will look to other means to express their views.

The climate camp came to my constituency in the summer and I welcomed it. I had the best political discussion about climate change that I have had anywhere. Those who came to the camp operated effectively. Two thousand people turned up overnight, set up a camp, operated peacefully, made their protest and pushed the issue up the media's agenda and that of us all. There is no guarantee in future that, if the Government undermine confidence and trust in the political process, similar direct action will not spill over into other forms of action, which the Government and all of us would regret. The impact of the Bill could be that important.

I urge the Government to think again and consider how the Bill can be used to ensure proper and democratic involvement at every level so that people are properly resourced and have equal access to the decision-making process. I will table amendments to try to make that happen. I will not support the Bill tonight and I will support it in future only if it is significantly amended.

7.43 pm

Dan Rogerson (North Cornwall) (LD): It is a pleasure and a challenge to follow the contribution of the hon. Member for Hayes and Harlington (John McDonnell), who highlighted the concerns of many that the Bill might hand a bulldozer to some developers.

I want to focus on issues that worry my constituents and others throughout the country. When talk began about introducing a planning Bill so soon after the previous planning measure, those who were somewhat bruised by their experiences with the planning system hoped that they would find changes to create a fairer, more open and more democratic system. Doubtless, all hon. Members have been approached by constituents who felt that the planning system had let them down, in the hope that the local Member of Parliament could somehow overturn the decision. The Bill will do nothing to help them.

We are living at a time of rapid change in patterns of settlement, ways of life and forms of employment. Industry is growing in some areas and shrinking in others. The planning system needs to provide a built environment that can deliver a good standard of living and deal with employment opportunities. It must be able to keep up with change.

Planning should also inspire people. It should encourage communities to come together to discuss the future of their place, which is special to them and to which they all contribute. There is no sense out there that the planning system currently does that. Planning has become a dirty word. Planning departments are known as development control departments and committees are often known as development control committees. That is a shame because it undermines the profession of planners and the role that people can play in shaping their communities' future. The measure is entitled the Planning Bill but it fails to fulfil people's aspirations.

Mr. Hayes: The hon. Gentleman is right that, rather than acting as a catalyst for popular involvement, the Bill presents an obstacle to the planning system's becoming more democratically accountable. However, it is worse than that. Does not the measure also transfer power away from the House—indeed, from the Executive, which is ironic? The Bill is fundamentally undemocratic and therefore virtually indefensible.

Dan Rogerson: The hon. Gentleman makes a point that other hon. Members raised during the debate, and he is right.

My constituents would say that they want a planning system that takes account of their opinions and needs. They may have a local authority, which has done a good job in the local development process of trying to involve people through the means available. However, we should ask ourselves how many people in our constituencies know that that process is going on, how many respond and how many feel that their comments will be considered. I would like the Bill, and the things that may be added to it as it progresses, to provide for giving a greater variety of tools to local communities through their local authorities to listen to opinions and reflect needs.

Cornwall is deemed to be part of the south-west. The regional spatial strategy process is even more remote from people, yet in many ways more crucial because the local development framework has to match the priorities set by it. We therefore have a process whereby an unelected regional assembly—I support elected regional government; I happen to believe that Cornwall by itself is an elected region, but that debate is for another day—makes important decisions. From visiting parish councils and talking to people at all sorts of forums in my constituency, I found that they were unaware of the importance of the regional spatial strategy and of what role they should play in trying to influence it. The Bill's provisions to grant new powers to local authority members through appeals panels are a more welcome development, and I should like them to be explored further.

An alternative vision is perhaps that of the parish plan process, which I have witnessed at first hand in my constituency. It is all about local communities coming together and setting priorities for the future. It works effectively in a rural area, and I accept that other hon. Members may have a view about how well it works in more urban areas. However, the process encourages me to believe that we need not fear the spectre of nimbyism. In a place such as North Cornwall, where people might be expected to fear housing development, many rural communities have found the evidence, through the parish plan process, that they need extra housing. They have thus reached a view that they would like more housing, especially affordable housing, in their community. We have the rather odd position whereby the local authority must, as part of the regional spatial strategy process, argue for more housing. Perhaps people in the south-east would find that odd.

Martin Horwood: My hon. Friend makes a powerful point about the flaws in the unelected regional assembly process of regional spatial strategies. My constituency is almost as close to Scotland as it is to his, yet we are in the same south-west region, which imposes too much housing on relatively prosperous towns such as mine but does not give Cornwall the housing that it wants and needs.

Dan Rogerson: Absolutely. My hon. Friend and I have discussed at length the odd situation in which we find ourselves, with one community wanting more housing and the other having housing that it does not want thrust upon it. However, that does not reflect on those in the regional assembly and its partners, who have taken the process forward; rather, they have been given an impossible job to do.

The concept of a third-party appeal has been raised, including by the hon. Member for Pudsey (Mr. Truswell), who made a good contribution to the debate. He paid tribute to the hon. Member for Stroud (Mr. Drew), who was in the Chamber earlier, and they both made the point that, as my party has maintained for a number of years, there must be a form of redress where a community can show that a decision adversely affects it. All the cards are currently in the hands of the developer. If the developer loses, a further application can be submitted, albeit in slightly changed circumstances, that may win approval, or the decision can go to appeal. The same cannot be said for those in a community who have to live with the results of a bad decision.

I spoke earlier about this time of change. I can give some examples of how changing patterns are affecting my constituency and of how the planning system is not providing the local authority with the tools that it needs to address them. The issue of studentification has been raised, and might also be mentioned by the hon. Member for City of Durham (Dr. Blackman-Woods), if she catches your eye, Mr. Deputy Speaker. Studentification happens where a group of people is encouraged into an area in a perhaps unsustainable way, because the market is allowing developers who wish to provide student housing in that way, but where the local authority has no tools to prevent that from happening.

The example in my constituency is second homes. We have coastal communities that are ghost towns in the winter, and shops, businesses, pubs and schools that are under threat because rural communities have become dominated by second homes and holiday homes. Fiscal measures will not be enough to tackle those issues. In Rock, for instance, where semi-detached houses change hands for millions of pounds, a small increase in council tax or something of that nature will not deter those sorts of purchases. What is required is the ability of a local authority to distinguish types of residential accommodation through use class orders. I am aware that that does not require primary legislation, but I would like something in the Bill explicitly setting out a route for a local authority to interact with the Secretary of State in order to ask for different use class orders that are appropriate to that local situation and which the Secretary of State could consider and respond to.

Mr. Prisk: As the hon. Gentleman will know, St. Minver near Rock has an excellent community land trust, and I say that as a born and bred Cornishman. Does he agree that the tools relating to definitions of types of housing that are available to local authorities—in his case North Cornwall district council—are indeed helpful, but that related laws, such as the charities laws, often hold land trusts back? Cornwall has an excellent reputation in developing such trusts. Does he agree that it is often the failure to understand the holistic bounds or, as it were, restrictions of the law that holds trusts back?

Dan Rogerson: The hon. Gentleman refers to community land trusts and the provision of more affordable housing. He is right that Cornwall has led the way on that. Indeed, there are some exciting schemes coming forward in my constituency. However, we would perhaps not need so many community land trusts if the houses that are already there were not being used as second homes. If that housing was available to be occupied by local people—people who are often on low incomes, but who have strong connections in the area—we would not need further development. However, of course community land trusts are welcome, and I share the hon. Gentleman's enthusiasm for them.

In all those ways, local communities and local people are suffering the ill effects of the market not delivering in a way that meets the needs of that community. Local authorities do not have the tools to stand against the market and intervene so as to secure a future that their communities would like. Some process for discussing the use of use class orders would therefore be useful.

A further example is Newquay in my constituency, where family hotels have become bunkhouses, which are used for events such as stag dos and end-of-term parties by people seeking cheap accommodation. The owners rip out the kitchens from the hotels so that they can put in more bunk beds. What was a hotel that was part of the community changes hugely, with late-night disturbances occurring. My constituents find that a problem. Again, however, there is no distinction between types of hotel in planning law. I would like a change in that respect.

The Bill does not seem to be driven by that local desire to strengthen and enrich communities, but by a top-down commitment to dictate where houses can and cannot be sited and where, for example, nuclear waste dumps can be located. We have talked about communities with nuclear generating facilities in them. Those communities are used to the issues and can see what is coming, but we as a country still do not have a solution to the waste problem. People will look carefully at the Bill and at what it means for those debates.

I would prefer a planning system to emerge from the Bill that gave greater opportunity to people at the local level and that encouraged them to participate in the planning process, in order to be part of shaping communities that are fit for purpose and sustainable. I am delighted to welcome the Sustainable Communities Act 2007, and I pay tribute to the hon. Member for Ruislip-Northwood (Mr. Hurd), who is in his place, for pushing it through. That Act will of course contribute to the process. I would like a Bill that reclaimed the word "planning" from the list of dirty words and made it synonymous with "community engagement". As it stands, the Bill does not do that. I hope that it will be improved as it moves through the House, although at the moment I remain to be convinced that it should continue in that process.

7.57 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): It is a pleasure to follow the hon. Member for North Cornwall (Dan Rogerson). I agree with a number of his points about the lack of balance in some of our communities. However, I start by agreeing with the hon. Member for Poole (Mr. Syms), who is not in his place now, in one respect, namely on the importance of planning to our communities. I represent a beautiful historic city, and I definitely receive more queries and hear more concerns about planning than any other issue.

I welcome most of the Bill. Perhaps quite unusually, I want to address my comments to parts 9 and 10. Before doing so, however, I want to comment on the climate change issues. It is obvious that more needs to be done through the planning system to tackle climate change. I am pleased that the Bill puts a duty on councils in preparing their local plans to take action on climate change, which is very much missing currently. Also, the proposals to allow householders to install small-scale renewable technology such as solar panels and wind turbines without planning permission but subject to safeguards and standards is to be welcomed, albeit with one major proviso, namely that the process must not contravene conservation area policies. I should like the Minister to give some reassurances in that respect.

The environmental impact of large-scale infrastructure projects will also need to be adequately evaluated against climate change criteria. Although the Bill goes some way towards improving the responsiveness of the planning system to the climate change agenda, unless the Government are careful, major infrastructure projects could work in the opposite direction. I hope that the legislation will make it clear that any large-scale infrastructure projects will need to contribute to our efforts to tackle climate change, rather than exacerbating it.

The voice of local people will need to be adequately represented to the infrastructure planning commission. The Minister will know that the need for a local community voice to be heard, and for adequate parliamentary scrutiny of national policy statements, is extremely important. Indeed, that issue formed a large part of the correspondence received about the Bill. Members from all parties have stressed the need for it to be made clear how the voice of the local community is to be heard by the infrastructure planning commission, and for that voice to be seriously taken on board.

I want to address most of my comments to parts 9 and 10. Part 9 seeks to amend the present system in regard to delegated powers for assessing planning permissions, and the appeals process that flows from that system. I appreciate that it is necessary to speed up and de-bureaucratise straightforward applications, especially when they are not contested. Nevertheless, I have concerns about this part of the Bill on which I would like the Minister to reassure me. First, will he assure me that delegated powers will be used only when a planning application is minor and when it faces no objections? It will be essential to establish that an authority has adequately informed all those who would be affected, and that proper processes are in place for doing so. It is not clear what would happen if objections were not received because the authority had not sent out accurate notices to all concerned. In

[Dr. Roberta Blackman-Woods]

addition, councils will need to be sure that incremental changes do not take place, and that, for example, policies to protect conservation areas remain intact. Certain incremental changes could perhaps go relatively unnoticed by a local authority.

I have grave concerns that appeals in such cases are to be referred to a local member review body, especially as things stand at the moment. The experience of the operation of the Licensing Act 2003 at local level shows that not all authorities are able to rise to the task of judging local licence applications. If the Government are to give a greater role to local councillors in judging planning applications, they will have to ensure that adequate training is put in place to enable them to undertake that role effectively. In particular, they must be able to gain access to external expertise if necessary; otherwise, we shall be placing a role on local authorities that they simply will not have the capacity to deliver.

I am also deeply concerned that the Government have made no effort to introduce third-party rights of appeal, even in a limited way. I understand that they are very nervous about that, and that the idea is horrendous to the civil servants involved. The Bill provides an opportunity, however, to implement very limited third-party rights of appeal and to test their significance on the whole planning system. We could then determine whether they would result in the horror that is sometimes anticipated. Surely it would be possible to allow them in clearly defined circumstances, to root out frivolous claims. Importantly, this would allow people to feel that they had a greater say in a system that at present often appears developer-led.

The Library briefing paper on the Bill notes that the response to the proposal for local member review boards was largely negative, mainly because of concerns about political bias. I understand that the Government have overturned that argument by saying that the boards could strengthen local accountability. On balance, I agree with that, but with the caveats, which I mentioned earlier, about the increased need for training and the need for absolute transparency in the process. I am not sure how that would be achieved, as Opposition-run councils often blame the Government of the day for their decisions anyway. I am not sure that the Government have worked out how to ensure that local authorities are made responsible for the decisions that they make.

My biggest problem with the Bill is the lack of any proposals to monitor the quality of decision making by local planning authorities. That is a huge missed opportunity. Current methods of assessment have a number of ways of evaluating local planning authorities, but they are largely target-driven. The decisions made by planning departments are really important, but I believe that we understate the importance of planning in general. The nature and form of the built environment affect us all. Decisions that are made in the planning process affect not only ourselves but future generations, because of the long-term nature of building. It has social justice, heritage and economic dimensions, as well as aesthetic and cultural factors, but little attention is paid to what is delivered or to whether it meets not only the objectives of the local plan but—more importantly—the expectations of the local community.

At present, there are few powers to intervene when something appears to be going wrong in the planning process. I do not see why the planning system cannot have something similar to the local involvement networks—LINks—system that has been set up for health. In such a system, local people, as part of a citizens' panel with local experts, could scrutinise the actions of the local authority and produce a report once a year that had to be debated in the council. There would have to be a response to any recommendations that were made. It is important that such a panel should not consist of local councillors.

I want the Secretary of State and the Minister to give serious consideration to this proposal. It would not be expensive to implement, and it would do much to highlight and embed good planning practice across the country. In specific areas, it could also address some of the imbalance relating to pro-development policy, and deliver much-needed accountability into the planning system at local level. As with LINks, local councils could be charged with putting such a scrutiny panel together, under Government guidance.

Part 10 of the Bill introduces the community infrastructure levy. That seems a good idea, but like other Members I am not clear about how it will interact with section 106 agreements. I realise that clause 172 of the Bill relates to this issue, but I believe that further clarification is needed. It is a pity that the Bill does not insist that section 106 agreements be delivered by local authorities. I am sorry to have to criticise the Liberal Democrats, but they have said much about affordable housing in the debate. My area is faced with a Liberal Democrat council that took three years to adopt the affordable housing section of the local plan. Furthermore, since it did so in April this year, it has not put through one planning permission that has attracted affordable housing. The point that I want to make to the Minister is that it is good that we have section 106 agreements, but they need to be applied by local authorities. We also need to be clear about how they will relate to the community infrastructure levy.

I also welcome support for Planning Aid, but I would argue that it is not yet fit for the purpose outlined for it in the Bill. It has too much professional capture and in my opinion does not adequately address community issues or adequately support local community groups. If the Government are going to give greater support to Planning Aid, I hope that they will look very seriously at how that organisation is equipped to support community organisations as they seek to make their voice heard in the planning system.

I want to raise the issue of trees. A recent report from the London School of Economics states that, apart from Ireland, we are the most deforested country in Europe. It is a pity that the Bill did not take a greater opportunity to ensure that our trees are adequately protected. There are many examples from my own authority where tree preservation orders are simply disregarded in the planning system. I would really like to see a strengthening of legislation to protect trees.

One point about the community infrastructure levy that, as other Members have argued, is not clear at the moment is whether it is a betterment tax or a levy on the value of the whole development. Will the Minister say something more about that?

Lastly, I come to the issue of the need for sustainable and balanced communities. As mentioned earlier, we need an amendment to use class orders, whereby communities that have gone out of balance, as with some student areas or others, can be brought back in. Local authorities need additional tools to be able to tackle areas that have gone out of balance. I would like the Minister to make some proposals on how that issue can be addressed.

8.11 pm

Mr. Mark Prisk (Hertford and Stortford) (Con): I begin by mentioning my entry on the Register of Members' Interests as a member of the Royal Institution of Chartered Surveyors. If I may, Mr. Deputy Speaker, I would also like to offer my apologies to you and indeed the House for being absent for 90 minutes; it was due to my making a contribution in a Committee upstairs. I am particularly sorry to have missed the contribution of my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer). He mentioned Swampy in a question, but I gather that his later contribution to the debate was a little more historical; I believe he gave us a gentle canter through history with reference to Oliver Cromwell, so I look forward to reading the record tomorrow.

As we have heard in a number of contributions, planning is one of those peculiar subjects that excites little interest in the abstract—indeed, we can see that on the Government Benches—but real passion and debate in practice. To be fair, I thought that the contribution of the hon. Member for Hayes and Harlington (John McDonnell) was exemplary. He was a doughty fighter, who showed what he can do in standing up for his constituents, and I applaud him for that. The reason for the contradiction between the abstract and the practical is that planning shapes the world in which we both live and work. It determines what is built in our communities, and indeed where it is built. As we all know to our cost, bad planning decisions leave a permanent scare with which, frankly, many of have to live on a permanent and daily basis. That is why it is so important that we get the balance between efficiency and accountability right.

Over the past 10 years, the current Government have been in a muddle about how to manage the planning and development system. Instead of focusing on making development control function better, Ministers have commissioned an endless tide of studies and reviews. They have held consultations and briefings, but in the end have often ignored the findings of the whole process. They have wasted millions of pounds. Somewhere, there are acres of files of all those studies and reviews; in all that time, they have achieved almost nothing towards their proposed purpose.

Meanwhile, the Government have restructured the responsible Department no fewer than five times since 1997. That has cost a fortune, demoralised the staff and undermined effective policy development and implementation. As we have learned from recent biographies and so on, much of that upheaval, as Tony Blair has suggested, has simply been to accommodate the ego of his former deputy, the right hon. Member for Kingston upon Hull, East (Mr. Prescott).

Mr. Gummer: Does my hon. Friend agree that planning and the environment must be part of the same Department if we are to bring together the needs of growth and the overwhelming needs of climate change?

Mr. Prisk: My right hon. Friend shows his expertise in the subject and as a former Secretary of State, and he is right to say that we cannot somehow divorce those two subjects as if they have no relation. They are related and they should be dealt with in that way; he is quite right to make those points.

The Bill is the Government's latest attempt to reform the current system, so let me start by welcoming its principal stated aim—to simplify how essential infrastructural projects secure planning permission. That is a worthy aim. For too long, projects of national importance have been treated in largely the same way as domestic planning applications. Thus we have seen the peculiarity of treating the installation of a major waterworks in much the same way as we would treat our neighbours' extensions or loft conversions. There is no sense in that. Planning for our national infrastructure needs to be long term, holistic and proactive, and any development control or planning system must reflect that point.

Having made that broad general sweeping point, I would like in my remaining time to touch on three areas. The first is the infrastructure planning commission. Although I support the need to reform how we plan our national infrastructure, I have to tell the Minister that I have yet to hear an intelligent argument for setting up another democratically unaccountable quango—*[Interruption.]* I have heard arguments for it, but I am not sure that they have been intelligent.

The proposed commission would be responsible to the Secretary of State, but would not be directly accountable to this House or those whom we represent. I think that that is wrong in principle, and it will be viewed by the public with the greatest degree of scepticism. In my constituency, we are fighting the nonsensical plans for a second runway at Stansted airport and, I might add, speculative development on 1,500 acres of green-belt land. The idea that an unelected quango, which reports to Ministers and is appointed by them, should decide our fate would be seen by my constituents as both undemocratic and unacceptable.

On a practical note, the commission's role seems frequently to overlap with those of a variety of other Government-inspired quangos, not least the new Homes and Communities Agency and the Government's beloved regional quangos, the regional development agencies. I posed this question to the Secretary of State, but perhaps the Minister can provide a better answer. If the Homes and Communities Agency proposes a new eco-town settlement in one location, but the new commission envisaged by the Bill determines that the utilities, including power and water, and the road system should require a different location, who will arbitrate? What will actually happen? Who will be in charge? Will it be the Minister, and will there be an endless row and legal complaints? It will be interesting to see whether the Minister can respond. The Secretary of State tried to say that housing was nothing to do with the new commission. Indeed, but we cannot have a new town without roads, and we cannot have new houses without the water and electricity that go with them, so the idea that we can separate infrastructure from housing and assume that there will be no conflict is a mistake. I hope that the Minister will address that point.

It is true that there could be an argument for an independent body that sets a long-term framework for our national infrastructural needs. Such a body could

[Mr. Prisk]

be advisory, but it must be clearly independent of ministerial interference; indeed, it might work much as the chief scientific adviser works within the Whitehall machinery today. Several professional bodies, including the Institution of Civil Engineers as well as my own professional body, have made a powerful case for such a framework, but it would be more than is envisaged in the Bill, not least because it would provide an holistic approach rather than trying to detach utilities from roads, for example, or airports from the former. I would be grateful if the Minister expressed his views on that.

On a more detailed point, I notice that there seems to be no inclusion of flood defences in the list of nationally significant infrastructure projects. Given the various references in the debate to climate change and events earlier this year, perhaps the Minister can tell us whether that is deliberate or just an oversight.

I would like to deal briefly with the question of how the planning system will affect the development of our town centres, as the Bill contains some relevant powers. I am concerned that the future of our high streets is in peril—not just from the coming consumer slowdown, but more fundamentally because independent shops in traditional high streets face a wide range of issues that restrict them from competing. In the context of the Bill, I am particularly concerned about how the tests used in planning are being undermined by Ministers and their advisers. As the "Save Our Small Shops" campaign in the *Evening Standard* has shown, people value their local shops, but it is becoming increasingly difficult for those enterprises to remain in business.

In particular, and following reports from Kate Barker and the notorious Rod Eddington, I am concerned that the needs test may be removed by Ministers. The danger is that that could allow more out-of-town supermarkets at the expense of our town centres and local high streets. Competition between supermarkets is not the only issue. The planning system must have regard to the socio-economic and environmental importance of town centres and high streets. After all, a city whose centre is struggling is a community that is losing its heart. If we neglect that centre by permitting badly placed out-of-town developments, the result will be felt throughout the community. I say to Ministers, "Be very careful to whom you listen." Thousands of independent firms need town centres that can compete, as indeed do many of our long-established businesses, such as the John Lewis Partnership. If Ministers loosen the planning system, they could undermine not just the independents, but the long-term town centre investment that we all want.

Part 10 deals with the community infrastructure levy. I welcome the Government's second thoughts on their proposals for a planning gain supplement—a wise decision taken somewhat in elongated fashion, but they sort of got to the right decision in the end. The planning gain supplement was ill conceived and prematurely presented. Quite why it has not been repealed I do not know, but I hope—perhaps the Minister can confirm this—that the Government do not still have some bizarre hope of bringing it back in a different form. If they do, it will make the home information packs fiasco look like a glorious triumph.

Of course, there is no doubt that the way in which planning gain is captured financially needs to be reformed. I fully accept that. Section 106 agreements were fine when they began, but they have become a serious delay in planning decisions. The principles of that reform need to be based on a clear link between the proposed development and its local impact. Various Members have referred to that point. It means that any Treasury attempt to claw back moneys into its coffers or to do a little top-slicing for the regional quangos would be a serious mistake. Ministers have given a hazy response on the question of top-slicing.

Part 10, which introduces the levy, is nothing more than a blank cheque that Ministers expect us to approve, without any idea of what will be changed or indeed charged. For example, it provides for a levy, but does not say what will be levied. It provides for empowering authorities to charge a levy, but does not state exactly which authorities they will be. When it comes to the amount charged, and its collection and enforcement, we are asked to agree to the Government's deciding all that later on, but without a full debate here in the Chamber.

I have to say to the Minister that that is an appalling way to legislate. When he was at the Treasury, the stamp duty land tax was introduced in the same haphazard way. The general message from the then Chief Secretary was, "We'll correct it along the path." We are being asked to agree to a tax on something yet to be defined by authorities yet to be named for an amount yet to be decided. Would it not have been wiser to introduce the measure in a few months, perhaps in its own Bill, after detailed discussions with the industry? For example, what exactly does the Bill mean by "community infrastructure"? I have seen various reports that the Minister for Housing has said that that could be negotiated locally. Although I understand the need for agreements to reflect specific and local circumstances, it would help everyone if some simple parameters were set to avoid protracted negotiations in each and every planning authority.

The need to reform and improve the planning system has been accepted on all sides, not least regarding our national infrastructure needs. Although there are some good measures here, I am extremely concerned that they have been undermined by Ministers failing to strike the balance between democratic accountability and administrative efficiency. If the Bill is given a Second Reading, I hope that Ministers will listen carefully to the debates on amendments tabled in Committee, even if they would change substantial parts of the Bill. We cannot have another planning Bill in a couple of years because we got it wrong again this time.

In the end, the effect of getting this legislation wrong will be not just an administrative problem, but something that we have to live with in every town, city and constituency, and that is visible to this and future generations. If the Prime Minister is looking for a legacy, I would advise him carefully to ensure that the Bill does not form part of it.

8.26 pm

Nia Griffith (Llanelli) (Lab): Thank you, Mr. Deputy Speaker, for calling me to speak in the debate. I want to focus on a specific issue. Although I will illustrate it with examples from my constituency, I am sure that many hon. Members know of similar examples from theirs.

My right hon. Friend the Secretary of State mentioned in her opening speech the issue of statutory consultees. I ask her to ensure that water companies become statutory consultees. That is important for the development of nationally significant infrastructure and for far more modest local developments such as housing. Although local planning authorities often consult local water companies, there is no obligation to do so. Clearly, submissions from water companies would carry much more weight if those companies were statutory consultees, as other utilities are.

Developments, whether large or small, produce additional sewage and surface water. Even if a new development provides for separate foul water and surface water systems on the development site or its immediate vicinity, all too often, further down the line, the foul water and the surface water enter existing systems. That puts increased pressure on existing and ageing structures, which causes particular problems when, as in my constituency of Llanelli, the original sewerage system has only one pipeline for sewage and surface water.

Two specific issues arise from the overloading of existing systems—pollution and foul water flooding. Water companies seek consents from the Environment Agency to discharge spills into the sea. In Llanelli, overloading the system has resulted in significantly more spills into the Burry inlet than the number Welsh Water is permitted. In today's edition of *The Western Mail*, under the headline "Sewage overspills 'turning nature sites into cesspit'", we read that Welsh Water is permitted no more than 10 "storm" spills per year, but that in the year to December 2007, at two sewage treatment works that open into the Burry inlet, and at the Northumberland Avenue pumping station, there have been 111, 115 and 118 spills respectively. That is absolutely disgraceful and of major concern in respect of the quality of bathing water in an area that is trying to develop tourism.

In summer 2005, for example, Carmarthenshire county council's environmental health department warned against bathing at Llanelli beach, but not only bathing is affected. This is a unique area for cockles, and pollution is of particular concern to me because of how it affects the local shellfish industry. Local cocklers have explained to me that the amount of sewage pollution—the faecal count, to be precise—is critical to how cockle beds are graded. The cocklers also explained that the concentration of sewage is considered to be responsible for the dreadful cockle mortality in 2005, which devastated the cockle beds and badly affected the livelihood of the cocklers.

The other effect of overloading sewerage systems is the increased risk of foul water flooding. Such flooding has occurred more than once in Nelson terrace, Llanelli. It was an absolutely disgusting event, which sadly was experienced by numerous families across Britain this summer. Although I welcome the new pumping system promised by Welsh Water for Cambrian place—I sincerely hope it will provide relief for the residents of Nelson terrace—it is an example of treating the symptoms rather than the cause. Of course Welsh Water should be doing everything possible to stop the spillages and reduce foul water flooding, but in the water company's defence it has to be said that one of the major causes is undoubtedly the mushrooming of development. The sewage and surface water that result from such development ends up putting pressure on existing systems.

Water companies are also concerned because they are increasingly having to take over sewerage systems that developers have provided for developments here, there and everywhere. Apart from the water rates paid by the new occupants, which are revenue funding to provide water and sewerage, the companies do not get any capital moneys to cover the costs of adopting new sewerage systems or upgrading structures to cope with the effects of additional load further down the line.

For those reasons, I ask the Secretary of State to ensure that water companies are made statutory consultees. If that happens, they will have a duty to use their powers to the full. They would have to use their expertise to point out the full consequences of any proposed development on the whole sewerage system of an area. They must be listened to if we are to avoid polluting our beaches and seas and putting an increasing number of homes at risk from foul water flooding.

8.31 pm

James Duddridge (Rochford and Southend, East) (Con): It is a pleasure to follow the hon. Member for Llanelli (Nia Griffith), with whom I share a rather bizarre niche interest in the form of both sewage and cockles, also for constituency reasons. Sewage is a problem in the north of my constituency, and cockles are enjoyed along the Thames. I was interested to hear about her constituency.

I was concerned when I looked at the Bill and only came to understand it when I saw it through the prism of potential case studies. I found the speech by the hon. Member for Hayes and Harlington (John McDonnell) incredibly powerful in relation to Heathrow. Prior to the debate, I jotted down one or two issues and inquiries that I could foresee. I thought that Heathrow, Stansted or the lower Thames crossing would be an acid test of whether the legislation can work, and, quite simply, it has failed the test.

There is a broad consensus that there is a problem with planning, but equally there is a broad consensus, demonstrated in the points raised, that the Bill creates as many problems, issues and confusions as it solves. In excellent and well-researched speeches, many hon. Members said that they have been confused about aspects of the Bill, that they need greater clarity and that it is not clear what is proposed. To push things beyond Second Reading and into secondary legislation is not good enough. That may be acceptable for the few people who have the privilege of serving on the Committee, but it is not acceptable for other hon. Members who want to debate such matters on the Floor of the House on Second Reading.

The disturbing thread running through the speeches is that having more planning and more development, and doing it faster, is a good thing. The Bill will mean more development faster, but it will not necessarily be the right development—the development that our constituents want.

My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) made an excellent speech covering Swampy, Napoleon and Cromwell. I am not going to delve

[James Duddridge]

further back in history, but the hon. Member for Hayes and Harlington said that the Bill offers a generational opportunity. I suspect that if we look through *Hansard* we will see that someone said that in 2004. My right hon. Friend described this Bill as a declaration of failure in the 2004 Bill. Although I agree that it was a failure, I do not think that this Bill will be remembered in that way; it is more likely to be remembered by the problems that it incorporates in the future.

I want to touch on five key points: the national policy statement, the IPC, climate change, the democratic deficit and the community infrastructure levy, which is perhaps one of the most concerning parts of the Bill. I am not inclined to support the Bill and expect substantial changes in Committee to make it reasonable. The right hon. Member for Streatham (Keith Hill) talked about maximising the NPS and minimising the IPC. I think that that is the right direction to take. The concept of national policy statements is superficially alluring. It would allow us to remove some of the broader strategic and technical debates from a local level so that we do not discuss the merits of nuclear against other renewables, or other big issues that are not site specific, at every public inquiry. However, a number of planning issues focus on the interaction between different policy statements. For example, the interaction between airport and road policy is surely what is meant by integrated transport. Seeing such things in silos does not make any sense.

The hon. Member for Hayes and Harlington talked about the reasons for introducing the Bill in terms of the problems of Heathrow. It would have been better to deal with that issue head on rather than simply having a Bill that may or may not cover such problems in the future. Coming from the Thames Gateway area in Southend, I was concerned that the lower Thames crossing would not be covered. I suspect that a Thames crossing between Shoeburyness in my constituency across to Kent would not be covered either.

I am concerned about the IPC's structure and the costs involved. The Department's impact assessment makes it look like a well staffed operation. The chief executive will be paid £140,000, the chairman will be paid £150,000, the three deputy chairmen will each be paid £130,000—I do not know why such an organisation needs three deputy chairmen—and there will be 30 commissioners. From the excellent speech by the hon. Member for Caernarfon (Hywel Williams), I learned that one of the commissioners will be appointed by the Welsh Assembly. It will be interesting to know whether any of the remaining appointments will be as significant or whether the commissioners will simply be selected.

The documentation makes cursory mention of a register of members' interests. It is incredibly important to consider the problems caused by conflict of interest that have been created in quangos in my area. More detail on the register should be in the Bill. We should also talk about people's experience before they serve on the commission. That needs to be registered and fully understood.

Mr. Prisk: I am sorry to stop my hon. Friend's flow, but he raises an important point. The experts that the Government require on the commission will need to have been involved in many of the strategic projects. There will inevitably be a potential conflict of interest because they will have an interest and expertise. Does he agree that it is one thing that Ministers have failed to notice?

James Duddridge: There has indeed been a complete failure to recognise that. My right hon. Friend the Member for Suffolk, Coastal made the point in a slightly different way when he said that we did not need experts in subject areas, and that in many ways that could even be destructive. Other Members said that we wanted the process to involve local representation rather than construction. What we want are experts in judgment, rather than technical experts. Technical experts are not always right in their own expertise. We see fashions and fads based on recent research—good research, but research that turns out to be wrong in the longer term. I am particularly worried about circumstances in which a single commissioner acts on behalf of the IPC.

Let me return to the question of costs, about which there seems to have been little discussion, especially in the private sector. In contrast, the impact assessment even discusses the number of work stations that the IPC will have—eight to serve 10 staff—and identifies the cost very precisely as £10,180 per work station. A few paragraphs later, having referred to tens of thousands of pounds for work stations, it states, almost by the way,

> "Costs to promoters vary...between sectors".

Under the heading "Scheme type", it tells us that the cost of an application for an aviation scheme is £75 million. It seems to me that too much attention may have been paid to the cost of an individual work station, and not enough paid to the bigger costs involved in the private sector. I shall say more about costs in connection with the community infrastructure levy, which has been dealt with in an equally inadequate fashion.

On climate change and flooding, the Association of British Insurers has called on the Government to engage much more with the Environment Agency through the Bill, and I agree with what it has said. In the Thames Gateway we have problems with flooding, and with pressure to build housing on floodplains. There is a lack of joined-up government, which may be partly due to the fact that the Department has undergone five major changes since the Government came to office. I do not blame officials; I put the blame fairly and squarely in the Government's court.

In the context of flooding, I have grave concerns about infrastructure. In a very good "Dispatches" programme, the head of the Environment Agency failed to answer basic questions about the number of power stations built in a floodplain area. I should be interested to know whether Ministers are thinking again about whether that information could be provided, because we need to plan for contingencies. As well as existing power stations, future infrastructure projects should be considered in connection with climate change and flooding, be they power stations, sewage treatment plants or motorways.

I was no great fan of the Barker report, but climate change was at its centre. I think it was the hon. Member for Pudsey (Mr. Truswell) who, no doubt noting my presence, appealed to my constituency interest in rock. He suggested that the words "climate change" should run throughout every Bill like the words on a stick of rock, but they certainly do not run throughout this Bill. Climate change seems to be somewhat of an afterthought, or footnote.

Let me say something about the democratic deficit. In Southend, we have a veritable and indigestible feast of alphabetti spaghetti in the form of acronyms for quango after quango and cost after cost. The IPC seems to be just another example of an undemocratic quango that further distances the electorate from the Government. That does not do the Government justice, it does not do the House justice and it does not do politicians justice. When we knock on doors, we are often told that politicians—all politicians—do not represent the views of the electorate. We need to get closer to the electorate, not further away, handing more power to more quangos.

I understand that the CIL—the community infrastructure levy—replaces the previous acronym for the planning gain supplement. Let us be honest: this is just a tax under another name. Rather worryingly, the tax-raising power has been given to a quango rather than to the Treasury, and the Bill does not make clear how much tax can be raised and how. There seems to be little indication of the transitional relationship with section 106 of the Town and Country Planning Act 1990. Like other Members, I recognise that section 106 is flawed, but it is not made plain how the Bill will improve on it. The levy is simply a tax.

The British Property Federation has said in a briefing:

> "CIL is essentially a tariff system, or 'roof tax', and there are currently some good examples of this system already working in England. Milton Keynes is perhaps the best known example."

The last thing we need is yet another tax. If we are going to get it, let us be clear and transparent about what it is.

There has been some encouragement for the levy in the industry, which wants clarity. In business, one needs certainty and the levy provides a greater degree of that. But where will the money go? If the Treasury had made its section 106 grab and said that it would take all the money centrally, it would have been a disaster for areas such as Southend. I could accept planning gain money going outside Southend, but not far outside; perhaps to the A13 to improve the infrastructure or to the A127 heading through Essex. But giving that money to Cambridge would make no sense. Some have said that the local area may have an interest in the money going that far afield, but, if so, that should be stated and approved by the local district or county council. We cannot and should not say that a fixed percentage will go every time to a given region. One size does not fit all. Heaven forbid, there may be examples where the local community wants more money to go outside the area, but that should be driven locally, not from Whitehall or by regulations.

I am disappointed that there is not more detail in the Bill. I hope that plenty of time will be afforded in Committee to go through every amendment in detail. I also hope that the Government amendments will be focused and deal with some of the detailed concerns, confusion and lack of clarity to which other hon. Members have referred.

8.46 pm

Martin Horwood (Cheltenham) (LD): It is a pleasure to follow the hon. Member for Rochford and Southend, East (James Duddridge) and to learn of his interest in cockles, which he shares with the hon. Member for Llanelli (Nia Griffith). After her graphic speech, I do not think I will be eating cockles again for a while.

Reform of the planning system is an admirable objective. The current system appears sometimes to be cumbersome, expensive and, at times, virtually incomprehensible. It could certainly do with some simplification and refinement. If anything, we need to strengthen, not weaken, the voice of local communities. In Leckhampton on the edge of my constituency, there were recently 700 objections to a planning proposal, which was duly defeated. Almost identical planning proposals have now been submitted and those 700 objections now count for nothing.

In Charlton Kings on the edge of my constituency, we now face a concerted assault on the Cotswolds area of outstanding natural beauty, which most of us would have assumed was sacrosanct. However, the signals coming from Government are so mixed that developers are now eyeing up the AONB. Back gardens across Cheltenham are now being treated as brownfield sites and tilting the scales too far in favour of overdevelopment. I still find it odd that simple values such as ugliness and beauty still count for nothing in our planning process.

The system needs reform and refinement but, in its way, it works. Local communities do come together to oppose unpopular developments. They trust the system enough to spend enormous time and effort on planning inquiries. My father Don Horwood spent the last years of his life fighting many planning inquiries on behalf of the Leckhampton greenland action group, which carries on that proud tradition of using the current system to represent community interests effectively.

Such community action is sometimes inconvenient for Governments, and even more inconvenient sometimes for commercial interests. But that is democracy. If democracy does not sometimes make life inconvenient for those who have wealth and power in our society, it is not working. My worry about the Bill is that it makes life far too convenient for both Governments and unelected authorities as well as commercial interests.

First, let us look at the powers of the Secretary of State. The right hon. Member for Suffolk, Coastal (Mr. Gummer), who is no longer in his place, mentioned aviation and the ability of the Secretary of State to incorporate wholesale existing policies such as the Government's aviation policy into the structure of national policy statements. On my reading of the Bill, this seems to be possible without going through the consultation process set out in the Bill, which will apply only to new national policy statements. So a decision to promote growth in aviation could be used to promote critical decisions such as Heathrow's third runway.

Would not it be useful to be able to cross-examine the evidence for that runway? In a debate last week, I cited Friends of the Earth's insight that the cost of carbon in relation to the decision was three times lower than that recommended by the Stern report. It looked on the surface as though the Government were fiddling the cost of carbon to give a green light to a project that actually will help to defeat their own objectives on

[Martin Horwood]

climate change. I raised that question in the debate. The Minister on that occasion chose not to answer the question, but instead to read out excerpts from Gillian Shephard's memoirs. That demonstrates the limits of parliamentary cross-examination, but at least the current planning process does offer cross-examination rights, which can be very useful in exposing the weaknesses—especially the environmental weaknesses—in major projects. In that system, people would not get away with reading excerpts from others' memoirs by way of an answer. Under the process described in the Bill, however, cross-examination can disappear altogether, in favour largely of a process of written submissions—and also, perhaps, of open-floor contributions, which sounds to me like a sop, in which people are entitled to stand up and say their piece but are then patted on the head, shown the door and never heard from again.

Under the Bill, the Secretary of State has other unprecedented powers, for example, the ability to designate new areas of nationally significant infrastructure without resorting to further primary legislation. The planning White Paper addressed such new areas and chapter 2 related to nationally significant infrastructure, which included:

> "Building new water, waste disposal and recycling facilities, and constructing new housing developments".

If even recycling and housing are to come within the remit of what is nationally significant infrastructure, it might be quicker to list the things that are left out. There is also a clear temptation for the Government: where they fear political controversy, they can simply declare the issue a matter of national significance and close down key opportunities for debate and challenge.

At least the Secretary of State is elected, however. The scariest part of the Bill, which has rightly been condemned by Members of all parties—I have been encouraged by the number of Labour Members who have criticised this—is the unelected and unaccountable infrastructure planning commission. As I mentioned in an earlier intervention, its powers are extensive. It can pick and choose how to apply, modify or exclude provisions in other primary legislation. The list of that primary legislation is long: it includes the Green Belt (London and Home Counties) Act 1938, the Coast Protection Act 1949, the Ancient Monuments and Archaeological Areas Act 1979, the Harbours Act 1964, the Town and Country Planning Act 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990—indeed, the list of legislation within the reach of this essentially unaccountable body goes on and on. It can also repeal or revoke local Acts that are also, in their own way, primary legislation.

Let us consider the basis on which that drastic power can be exercised. Clause 105(6)(b) makes that clear—it is when it appears

> "to the decision-maker to be necessary or expedient".

That is not a very high test. It is also unclear whether the infrastructure planning commission will actually be accountable at all to Parliament, or even to a Minister, on individual decisions. I entirely support the earlier remarks of the hon. Member for Sheffield, Attercliffe (Mr. Betts) who was concerned about the ultimate unaccountability of the body. That is an alarming prospect, and the commission should be either removed from the Bill altogether or reduced to the status of an advisory body to the Secretary of State.

As many Members have said, the Bill is something of an invitation to non-violent direct action, as people might feel so excluded from the process that they consider the only ethical option open to them to be to protest and have their objections heard, especially as in environmental terms the Bill also offers many grounds for concern. The Bill could lay the foundations for a hugely damaging set of policies that deserve to be thoroughly challenged, from transport strategies that could foster increasing car and plane use to a new generation of nuclear power stations that could leave a poisonous legacy to our descendents.

Organisations such as the Campaign to Protect Rural England have pointed out further weaknesses in the detail of the Bill. The sustainability appraisals required for each national policy statement are unspecific in their quality and depth. The CPRE suggests that they should be in accordance with the EU strategic environmental assessment directive, but there is no evidence of such rigour in the Bill at present.

If all that were not concerning enough, the Bill may not even achieve the Government's more worthy objectives. They want to speed up the planning process, but as the hon. Member for Hayes and Harlington (John McDonnell) eloquently said in relation to terminal 5, delays on major projects are often due to delays at ministerial level, poor developer applications or even funding issues.

The Secretary of State's opening remarks made reference to the cost savings that the Bill is designed to achieve, but most of those are not in government. The cost savings that she identified seem to derive from shorter time scales putting a smaller burden on the private sector. Such savings do not derive from the changes in the Bill and could be achieved, for instance, by providing the Planning Inspectorate with much better resources to speed up the current process. The savings to Government will be largely offset by the costs of setting up and running the infrastructure planning commission. The Government's impact assessment estimates those to be £5 million to set it up and £9 million a year to run it.

The Bill looks expensive, ineffective and, above all, undemocratic. Perhaps the Minister will be able to answer its final mystery. What exactly is it about the Town and Country Planning (Major Infrastructure Project Inquiries Procedure) (England) Rules 2005 that is so inadequate? Only two years ago, the Government produced those procedures, which were supposed to strike a fair balance between a full exploration of the various issues involved and providing the necessary speed for major infrastructure projects. They allowed for cross-examination, and for it to be limited in some cases, so they went some way towards allaying the Government's fears about the process running out of control. If the Government are to insist on forcing through this Bill, which is proving unpopular on both sides of the House, they must explain why only two years ago they got their proposals so badly wrong.

8.56 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to discuss this Bill, even at this late hour. I would have spoken earlier, but the Select Committee on

Environment, Food and Rural Affairs is still labouring on the issue of bovine TB, which is another matter that takes my interest. I hope not to go over exactly the same ground as earlier speakers.

I wish to speak about three pertinent points that are worthy of further amplification. I hope that the Minister will respond in due course and that they will be examined in Committee. I congratulate the Government on introducing a planning Bill at this stage. I know that planning Bills are not unusual, but the planning legislation needs updating. I start from the perspective of feeling that far too often the planning system is not just and not equitable. Too often, I find that constituents who do not have an effective voice are not listened to and that the developer has the whip hand, so I welcome the fact that the Bill aims to increase participation. I have some questions to ask. It was good to listen to the hon. Member for Cheltenham (Martin Horwood), my neighbour, because I share a number of his misgivings. We must widen participation and ensure that the participatory process will stand the test of time.

I want to examine participation and to say a few things about the natural environment, which is important when dealing with any planning Bill and larger infrastructure projects. Any such Bill will have implications for the natural environment. Finally, I shall briefly say some things about the impact of energy efficiency changes and renewables on households and, in particular, on listed buildings.

As I said when I intervened during the Secretary of State's introductory remarks, I have always been convinced of the need for a process of third party rights of appeal—I make no apology for saying that. We could overcome the democratic deficit in the planning system. At the moment, people feel disempowered when planning applications are dealt with—I do not mean planning applications for loft conversions, but those that would lead to major change in an area. Too often, people are given no voice. They either join an action group, which may or may not represent their views, or they go to appeal in an attempt to mitigate the application's worst effects, and too often they are squashed. I have been to many planning appeals, and the public are squeezed into a short time and given little help to put their case. If they are cross-examined by a barrister who is an expert in planning law, it is not a pleasant experience, because the inadequacy of their legal knowledge is easily exposed, even though the rightness of their case is clear for all to see.

I hope that we can have a proper debate and that the two Opposition parties will continue to support third-party rights of appeal. I accept that the details need to be worked out, but when it comes to large infrastructure projects it is even more important that people's voices are heard. Such projects can result in major changes in people's lifestyles and have a huge impact on their environment.

The hon. Member for Cheltenham also mentioned the independent infrastructure planning commission. I cannot understand why the Government are so averse to the idea that Parliament should eventually arbitrate on issues of national importance. No one expects all the 30 to 40 major projects a year to require parliamentary arbitration, but there will be some issues that deserve and should have parliamentary scrutiny. For a long time, we have scrutinised private Bills, and I like to think that Members can approach such issues independently. Clearly, some would have to declare an interest and could not sit on the Committee, but other parliamentarians have a role to play in considering planning applications of national importance. We are elected to fulfil that responsibility, and I find it galling that we try to find ways to give it to the great and the good. We are expected to believe that they can be objective and deliberative, but it would be even better if Parliament had the responsibility. We should be careful, because we could be bogged down by some of the larger projects, but it is an abdication of our responsibility if we do not even consider fulfilling that function.

I ask the Minister to consider whether, even at this late stage, we should have a different form of accountability than an independent commission. We have a range of them—the Monetary Policy Committee, the committee on climate change and now this one—and we will run out of experts to put on them at this rate.

I do not want to labour my second point, because I am sure that colleagues raised it earlier. In order to balance the system, under which larger projects are given permission, we should look at whether we need a national policy statement on the natural environment. Wildlife trusts have long advocated that. Areas of outstanding natural beauty and national parks are already formally designated, but my wildlife trust in Gloucestershire believes that we need an appropriate set of rules to protect the landscape and to set out what development is allowed.

I have never been in favour of treating AONBs as completely sacrosanct, because that is unreasonable and leads to rural decline. Villages have always been situated in such places and people have wanted to live there to maintain the vitality of those areas. However, there must be rules so that we can make sure that the planning process is sympathetic to the natural environment and that we do not see open-cast mining or inappropriate development and so that we protect the landscape in perpetuity for all our benefits. I hope that, in so doing, we develop the idea of a national spatial framework for land use, so that we decide where, what, and to a certain extent how we are going to develop. In the areas that need to be protected, we need to be clear about the measures we can put in place to make sure that that happens.

I declare an interest in relation to my third point, because I am looking to put up solar panels. When one applies for permission, there is a lack of clarity, at least, in how local authorities interpret the planning system. Two different local authorities apparently interpret the rules in two different ways. We can overcome that and I hope that the Bill will allow us to be much more forthright in encouraging energy efficiency measures and the use of renewables to reduce the impact of climate change. It would be even better if we had the feed-in tariff system, but we will not go there at the moment.

There is one problem that continually arises in my constituency. An article a week ago last Saturday in *The Guardian* highlighted one of my constituent's problems. I am talking about people who have the good fortune, I would like to think, to live in a listed property. Listed properties, by their very nature, tend to be older and more difficult to heat. They are in need of some up-rating when it comes to all the different ways in which their energy efficiency mechanisms can be improved.

[Mr. David Drew]

The problem with a listed building is that there is in effect a conflict. People might seek permission under the planning system to make a change and the Bill might enable us to cut through some of the current difficulties in giving permission. That would seem welcome. The problem is that people will then come up against the rules of English Heritage through the Department for Culture, Media and Sport—another Department—which will say, "This will damage the intrinsic quality of the building." Of course, there are extremes and there are buildings that would not be suitable for adaptation, but there are many ways in which buildings can be adapted. If that is done through the sensitive use of the planning system, it is about time we found the wherewithal to achieve that.

Too often, we end up with ludicrous situations. For example, one of my constituents put up some solar panels about four years ago, albeit perhaps incorrectly. However, the planning enforcers have suddenly decided that that is outwith what is expected for listed buildings, so they are trying to persuade him—in the nicest possible way—to remove the panels. That is being replicated throughout the country and there is a growing problem. I hope that we can use the Bill to sort out the contradictory state of affairs whereby we encourage people to make their buildings more energy efficient, yet conservation measures make that more difficult. I hope that we can get some satisfaction and assist my constituents.

9.10 pm

Mrs. Jacqui Lait (Beckenham) (Con): I declare an interest, given that the regional development agencies have been mentioned: my husband is the deputy chairman of the South East England Development Agency—*[Interruption.]* He is working hard to ensure that not too much socialist legislation gets through.

We have had a very good debate. The number of people in the Chamber is no reflection of the quality of the contributions that we have heard, and I congratulate everyone who took part. I especially congratulate the last two contributors on their speedy thinking processes. However, I do not think that we have heard one single contribution that has given wholehearted support to the Bill. I thought that it might be easier if we tried to decide what we could agree on before moving on to the difficulties with the Bill that many hon. Members have raised, and the aspects of the Bill on which we will need answers from the Government so that we can give it proper and due thought.

I hope we can agree that the planning system is generally regarded as both slow and expensive. The hon. Member for Hayes and Harlington (John McDonnell) made an excellent and understanding speech in which we heard about the horrors of the T5 inquiry. Yes, the situation was made worse by the fact that the applicants were not as organised as they should have been. The process was described as like watching paint dry, and we must remember that the right hon. Member for Kingston upon Hull, East (Mr. Prescott), when he was Secretary of State for the Environment, Transport and the Regions, added a whole year to the planning inquiry's length because he declared halfway through it that no more motorways would be approved, and of course T5 depended on a motorway. However, we cannot hand out plaudits or blame for the situation to any one party.

The idea of the national planning statement is thus broadly welcomed across the spectrum, as is the reform of section 106, which, as many hon. Members have said, is contributing to several delays in the planning system. Local planning gains from development need to be more transparent. It is encouraging that the Bill insists that developers should consult before application. As several hon. Members have said, a problem comes when consultation does not necessarily mean that there is negotiation and the resolution of problems. A consultation is just about as good as the responses that come back. We would prefer developments to be amended as a result of consultation before an application. Much of a single development consent regime is to be recommended, and I do not think that that issue has been raised by anyone else.

A number of hon. Members talked about permitted development rights. In particular, my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) mentioned that there are ways, other than through permitted development rights, in which we could achieve the same result of reducing the work load of local planning departments. That would give them more time to enforce planning approvals that have been given, and to work with local communities on local approved developments that people want.

However—there is always a "however" or a "but"—as practically everybody has mentioned, we have serious concerns about the creation of the infrastructure planning commission. First, it has been tried before. Those with long memories may remember the Secretary of State mentioning an earlier planning Act this afternoon. In the Town and Country Planning Act 1968, there was a similar provision, but the then right hon. Member for Stepney, Peter Shore, scuppered it when he pointed out that it would not work because of the lack of local input. That sounds familiar. The idea was tried again in 1990 but the measure was never used. The idea of an independent commission that considers major infrastructure developments is not new, but it has never been made to work.

Many Members are concerned that the proposed commission is a classic move on the part of the Government: they want to abrogate responsibility and accountability for their actions. In this case, they are shoving off their decision-making powers for large projects to the commission, an unelected body whose members are beholden to those who appoint them, and from whom they seek reappointment—that is, Ministers. That hardly makes them independent. As my right hon. Friend the Member for Suffolk, Coastal said, they are placemen. My hon. Friend the Member for Hertford and Stortford (Mr. Prisk) analysed the problem effectively and in great detail.

Who will the commissioners be? We have had suggestions today, but the Government have a little list. In addition, we know that the CBI wants commissioners to have legal, environmental or planning experience, or possibly all three. The Local Government Association wants people who have political and managerial experience in local government, which is understandable. The Planning Disaster coalition wants environmentalists, and the railways want railway engineers. According to a memo leaked to the *Financial Times*, the Secretary of State for Business, Enterprise and Regulatory Reform wants nuclear engineers among the commissioners. If I were a member of the Planning Inspectorate, I would not be happy that all my years of experience were not valued. Where do they come into the new system?

How many commissioners will we need? My hon. Friend the Member for Rochford and Southend, East (James Duddridge) analysed the issue and pointed out that the Government are planning to have 30 commissioners. Interestingly, according to the Government's White Paper, they expected only five to 10 projects a year. During the summer, it emerged that perhaps they should revise their figures upwards to about 30 projects, and today the Secretary of State said that the figure was 45. I am not a mathematician, but if there is an average of three commissioners on each of those 45 inquiries, 135 commissioners will be required. There is a time limit of, I think, eight months, which is two thirds of a year. Two thirds of 135 is roughly 85. The figures on the number of commissioners that we need and their cost are already way out of line with the Government's original cost proposals.

Mr. Prisk: I am sorry to stop my hon. Friend mid-flow, but I am intrigued. During the debate, it has emerged that the narrowness of the expertise required to develop the national policy statement and then reach a commission decision on, say, airport development will mean appointing the kind of people of whom there may be not very many and who will already have been involved in that area as experts—in other words, they will have conflicts of interest. Does my hon. Friend agree that it will be difficult for Ministers to find an independent person with the expertise required who has no conflicts of interest?

Mrs. Lait: My hon. Friend is exactly right. That problem emerged in relation to the committee on casinos, which is an example of the difficulty that the Government will face in finding these commissioners.

The Government say that they are expecting 45 infrastructure projects. The CBI tells us that 56 wind farm projects have been held up for more than two years. Today, we had an announcement on offshore wind farms. Will they benefit from the Bill—if so, there is already a delay because the Government will not be able to bring the legislation into force until 2009—or will they go through the planning delivery agreements system set out in 2005? The CBI wants aviation infrastructure to be based on air traffic movements, not passenger numbers, so that freight movements can be included, which would increase the number of inquiries. It also believes that port thresholds should be halved and wants quarrying included. London First wants commercial developments and train stations included—I have 13 local train stations; I cannot imagine that it seriously wants them all to be up before the commission—as well as eco-towns and large housing developments. The Royal Institution of Chartered Surveyors believes that flood defences should be included. I could go on. How many inquiries do we really want, and how many do we think that the commission will face?

The commission is expected to operate under a paper-based system of inquiry. We believe that the local people who will be affected should have the unfettered right to be heard. The Government challenge that at their peril, as we have heard from many Members on both sides of the House. I am not entirely certain, although perhaps I should not cast this aspersion, that Ministers have read clauses 82 to 85 together, because between them they take away the right to a hearing. As my hon. Friend the Member for Brentwood and Ongar (Mr. Pickles) said, that right is based on mediaeval law and includes cross-examination. Are this Government—a Labour Government—truly throwing away one of the most basic rights of the British people: the right to be heard? Despite the fact that the Secretary of State has avowed that the Bill does not contravene the Human Rights Act 1998, the right to be heard is enshrined in article 6 of the European convention on human rights, and I suggest that legal challenges will be forthcoming if the Bill is enacted in its current form.

Why are the Government ignoring the 2005 pilots under the planning delivery agreements system? They have not yet been evaluated, but seem to have worked very well in the application for the business park at Bowburn, County Durham. Why are the Government not building on that?

On national planning statements, we agree that the principle is sensible, but we must ask how prescriptive they are going to be. Will they merely be statements of principle or will they define locations? My right hon. Friend the Member for Skipton and Ripon (Mr. Curry) made absolutely clear the difficulties that there could be if locations are not included. Others have instanced the Association of National Park Authorities, which believes that other alternatives to major developments should be included in the strategies. I guess that the Government would reject that proposal, but it shows how complex the process would be, as pointed out by my hon. Friend the Member for Poole (Mr. Syms).

The Government talk about due regard to sustainability. Environmental groups are concerned that that proposal should be stronger, and the Planning Disaster coalition believes that there should be an environmental NPS. What will the process be in this House? We are faced with the idea that there should be a new Select Committee, but that that Committee should not include the Department for Communities and Local Government, the Department responsible for planning. So how will that Department be involved? I also suggest a quick word with the Government's Chief Whip who, as I understand it, is having extreme difficulty finding Members to sit on the regional Select Committees that are already proposed.

Peter Luff (Mid-Worcestershire) (Con): I apologise to the House for not being here for the rest of the debate; my Committee was sitting for much of the earlier part of it. My hon. Friend raises an important point about the proposed new Select Committee, which was not drawn to the attention of the existing Committees from which its members will be taken. I hope that when the Minister responds to the debate, he will clarify exactly what role the new Committee will play, and that he will undertake to consult the existing Chairmen of the Select Committees from which its members shall be drawn on exactly how it will do its work, because we currently know nothing about what is proposed.

Mrs. Lait: My hon. Friend points out succinctly many of the problems present in the Bill, of which the issue of Select Committees is just one.

[Mrs. Lait]

We hope that the Government can come up with a successful and acceptable process through which Parliament can be involved, but we have to ensure, as we have said all the way through, that local people can make their points of view known to the Committees. It is pretty daunting, as well as expensive, to come to Parliament, but it can be a question of someone's whole life. Will they have the right to be heard properly, or just the opportunity to write in with their evidence? The hon. Member for Pudsey (Mr. Truswell) described that proposal as vague.

I thought that the single development consent regime was one of the more sensible suggestions, but I have a question about it. Under the Bill, the single consent regime will work in parallel with the other legislation. The Government are not proposing to repeal the elements of planning within other pieces of legislation. Why not? Why will there be a parallel regime that could undermine and subvert what the Government are trying to do?

Many hon. Members have mentioned the proposal that current planning strategies, such as that on air transport, should become a new NPS without any further debate. The point has been made regularly that as it stands, the air transport strategy does not meet the requirements of the strategic environment assessment or the habitats directive. If that is what the Government propose to do, legal challenges will surely follow.

I was interested to hear the hon. Member for Caernarfon (Hywel Williams) mention cross-border infrastructure. Either the Government are trying quietly to cede their reserved power over energy to Scotland and Wales, or they have not realised the impact of what they are doing.

Finally, strategies need to be continually updated. Many hon. Members have talked about climate change. Everybody will know how speedily the technology dealing with climate change and energy production is changing. If strategies are set in stone, the Government will have to revise them when a new proposal using a new technology is introduced. I hope that when we get to Committee, we will agree to continuous updating of those strategies.

Mr. Syms: The Bill states that the strategy has to be updated, but there is clearly a problem. If a strategy is updated too rapidly, it undermines the planning system. There needs to be a timetable for when it is reviewed. I understand that the Government have not yet published that. Should they do that before the Bill progresses so that we know exactly what we are dealing with?

Mrs. Lait: My hon. Friend points out yet again the inadequacies of the Bill and the lack of forethought that has gone into it.

The community infrastructure levy is another of those inadequacies. There is general agreement that it is a sensible way to reform section 106 and it is based on the tariff system as developed in Milton Keynes. The proposal was, I am told, worked out by the private sector and local government and the Government have promised to consult on it. We were interested to learn that there was an idea that while we were in Committee the clauses on its implementation should be introduced. Today, we learn that we will get regulations. I am not at all surprised given that the consultation on the implementation of the levy has either, by coincidence, gone out only today or has not yet gone out.

I am not entirely clear about how the Committee is meant to discuss such a fundamental change to the planning laws. We will work hard to ensure that we get much more detail on how the system will work. The levy replaces the planning gain supplement, which will not be repealed. Could it be that the Prime Minister still prefers the planning gain supplement?

Mr. Raynsford *rose—*

Mrs. Lait: I wish the right hon. Gentleman had got to his feet earlier, but I have an eye to time. If he cares to join the Committee, we will be delighted to have a debate with him.

The structure of the levy needs to be flexible. The value of land with planning permission in my borough of Bromley is very different from that in Newcastle upon Tyne or East Anglia. Lack of flexibility will stop development if the tariff works against common sense. Who gets the money? We believe that it should be kept local; so does practically everybody else who has spoken in the debate. It should not be taken and used by the regional assemblies or regional development agencies. If the regional development agencies can raise money through the CIL, it will give power to an unaccountable, unelected body to raise taxation—the first time, as my hon. Friend the Member for Brentwood and Ongar said earlier, that such an attempt has been made since Hampden and Pym fought against the King over ship money. Are the Labour Government seriously giving away a basic right of the British people? *[Interruption.]* No, that was a hybrid Bill. When the Minister leaves the House today and walks out through St. Stephen's—the ancient seat of the Chamber of the House of Commons—the shades of Hampden and Pym will go with him.

This is a Bill of shreds and patches. It shreds long-held rights of the British people and tries to patch up some of the holes in the planning system. However, by the nature of its bureaucratic and top-down approach, it is in danger of losing the trust of the British people.

It is typical of the Government. They want to be seen to do something—anything. They find it easier and showier to get a Bill through Parliament than to undertake the slow and unheroic grind of making a planning system that was admired throughout the world work properly again. The Bill will be open to legal challenge and delay. It does not solve the problem but creates more holes. I support the amendment.

9.34 pm

The Minister for Local Government (John Healey): It is a pleasure to follow the hon. Member for Beckenham (Mrs. Lait), although the last two minutes of her speech were entirely disconnected from the preceding 21 minutes. Perhaps a combination of drafters were at work. Nevertheless, I welcome her contribution and the 21 others. We have held the fullest possible debate in the time available. That is only proper for such a significant Bill. We have heard some expert and experienced views from both sides of the House, and I hope that we can tempt some of the hon. Members who expressed them on to the Committee so that we can continue our well-informed debate.

Along with the Climate Change Bill, the energy Bill and the Housing and Regeneration Bill, the Planning Bill will help equip the country to face some of the major challenges of today and the coming decades. We need a system that will help us as a country tackle such major challenges as how we do more than our share to deal with climate change; how we ensure a secure, sustainable and clean water supply and a clean and secure energy supply for the long term; and how we maintain and develop a national and indeed international transport system that meets the demands of the future.

How do we take on the economic competition that is intensifying from other countries? In doing that, how do we strike the right balance between the social, environmental and economic interests that inevitably play a part? That balance is central to a sound planning system. My right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford), the right hon. Member for Skipton and Ripon (Mr. Curry) and my right hon. Friend the Member for Streatham (Keith Hill), who are all former Ministers with great experience in the subject, recognised that that is a fact of planning life and that, in the end, national interests are more than simply the sum of local interests, important though they are.

Let me deal with the point made by the right hon. Member for Brentwood and Ongar—

Mr. Pickles: Just "hon. Member".

John Healey: Surely it is only a matter of time before the hon. Member for Brentwood and Ongar (Mr. Pickles) becomes right honourable. I understand that he has not been well and I am sorry about that, but his heart was not really in it this afternoon. He gave strong support to the national policy statement system, which he described as a good innovation. He supported reforming the section 106 system. Like the hon. Member for Beckenham, whose speech was, until the last two minutes, measured and reflective—I look forward to continuing the debate with her—the hon. Gentleman said that he would not oppose the Bill outright. He and the hon. Lady said that they wanted to work constructively with us. They both said that they wanted to try to reach a consensus on the Bill. The logic of their position is that they will not oppose Second Reading. We look forward to that.

Let me deal with the community infrastructure levy, which was mentioned by the hon. Members for Brentwood and Ongar and for Beckenham, the right hon. Members for Skipton and Ripon and for Suffolk, Coastal (Mr. Gummer), the hon. Members for Hertford and Stortford (Mr. Prisk), for Poole (Mr. Syms), for Rochford and Southend, East (James Duddridge) and for Carshalton and Wallington (Tom Brake), my right hon. Friends the Members for Greenwich and Woolwich and for Streatham and my hon. Friend the Member for City of Durham (Dr. Blackman-Woods). It is clear, and supported by hon. Members of all parties, that this is not the planning gain supplement. The levy will be used to fund the infrastructure needed to support an area's development. The charges will be set at a level that reflects local councils' priorities for infrastructure and growth and the likely land values. It is not a blank cheque but a charge specifically to meet the costs of infrastructure that are identified through the development plan. It is conceivable that the necessary infrastructure may be outside a local planning authority's administrative boundary or that it may be provided by a public body other than the local authority. So the community infrastructure levy may therefore be passed from the local planning authority to other bodies.

Mr. Gummer *indicated dissent.*

John Healey: The right hon. Gentleman shakes his head, but what I have described is the answer to his question about roads to the nuclear power station in his area. It is common practice under the current regime of planning obligations and is already widely accepted.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Will the Minister give way?

John Healey: If the hon. Gentleman will forgive me, I will not. A lot of hon. Members in the Chamber have been here for the full debate and have made a contribution, but he has not.

Mr. Pickles: Is the Minister saying that the levy—this new tax—will be related just to the project and to such areas relating directly to the project that lie beyond the immediate area, and that there will be no skim-off for regional and sub-regional areas?

John Healey: I have explained that the purpose of the levy is to help fund the infrastructure that is widely recognised as needed to support developments that we all wish to see. That is the purpose of the levy. It will be accompanied by a negotiated agreement—the section 106 agreement—which will continue to cover affordable housing on specific sites. The levy will sit alongside section 106 agreements. My hon. Friend the Member for City of Durham is right that local authorities should be doing more. By the sounds of it, her authority should be doing more to secure more affordable housing and strike better section 106 deals.

Mr. Gummer: Will the Minister confirm that the money raised by the levy—or tax—will be applied specifically to the infrastructure necessary to that project and not to any other infrastructure of a more general kind?

John Healey: If the right hon. Gentleman reads the *Hansard* record, he will see that I explained a moment ago that the levy will be for infrastructure that is set out in the development plan. [HON. MEMBERS: "Ah!"] Moving on, I heard a large number of points from a large number of contributors to this debate. We shall have ample opportunity to return to matters relating to the community infrastructure levy throughout the proceedings on the Bill. I look forward to that.

The basis of the infrastructure planning commission's consideration and the centrepiece of the proposals are the national policy statements, which have been welcomed throughout the House. We have made it clear that there will be strong parliamentary scrutiny of such statements. That will strengthen their status and their scope to act as an authoritative basis for determining major infrastructure project applications. I say to my hon. Friend the Member for Hayes and Harlington (John McDonnell) and others that we have recommended scrutiny of the national policy statements by a new Select Committee. It will hold an inquiry and report in

[John Healey]

parallel with public consultation. The Government will consider the Committee's report and revise national policy statements where appropriate. We have also undertaken, within the rules of the House, to provide time for a debate where the Committee recommends that there are issues that merit it.

Peter Luff: Will the Minister give way?

John Healey: Before I give way, may I say that we have received the letter, which I welcome, from the hon. Gentleman, as Chairman of the Select Committee on Business, Enterprise and Regulatory Reform, and from the Chairmen of the Select Committees on Environment, Food and Rural Affairs and on Transport? We recognise that the four Committees concerned, including the Communities and Local Government Committee, contain much of the expertise necessary to conduct such scrutiny. We would welcome an early opportunity to discuss the issue with the Committees, as they are asking us to do, and I can confirm that my right hon. and learned Friend the Leader of House is ready and willing to discuss the issue with the four Chairmen involved.

Peter Luff: Does that mean that the Minister does not assume that all such statements will necessarily be considered by a brand new Committee and that other mechanisms might be available, in consultation with the Chairmen of those four other Committees, to ensure that the Government's legitimate expectations of increased parliamentary scrutiny are met, or are there no assumptions about the structure of scrutiny?

John Healey: Our principal aim is to ensure that national policy statements have sufficient scrutiny in this House to give them the authority to play the role that they need to play. We would welcome discussions on the points that the hon. Gentleman has raised.

John McDonnell: Will the commitment that the Government have made on scrutiny and debate enable Members to table amendments to any statement and to vote in this Chamber on those amendments or on the principle of the statement itself? Will we be allowed to reject a statement on a vote in this Chamber?

John Healey: I do not think that I could have been clearer when I said that if, following the scrutiny of the special Committees that the House sets up to exercise that scrutiny, they judged that sufficient time should be made available for debate in this Chamber, we would make that time available where there were merits. That would be subject to the normal terms of this House, and it is quite feasible to see votes on such debates.

Several hon. Members *rose—*

John Healey: I have a lot of ground to cover, so I shall turn now to the contribution of my right hon. Friend the Member for Streatham. Unlike the hon. Member for Brentwood and Ongar, he is clear about the welcome that he gives to the Bill. He rightly describes it as ludicrous and unacceptable that local planning inquiries have become the forum for national needs debates. Even the hon. Member for Carshalton and Wallington conceded that point. However, my right hon. Friend expressed the concern, which was shared by 12 other Members during the debate, that it would be the IPC, rather than Ministers, that would make certain decisions. Let me try to deal with that point, because it is clearly important to a number of Members.

The national policy statements will provide the single permission regime within which the IPC will consider applications. I should like to clear up any misunderstanding about the present ministerial role in planning applications. Ministers in a planning role act in a quasi-judicial capacity at present, answerable more to the courts than to this House, and challengeable by judges rather than by Members of Parliament. I was asked why we shall not simply build on the present system. Major infrastructure projects give rise to unique issues that cannot, in our view, be solved by changes to the existing system.

Whereas the Planning and Compulsory Purchase Act 2004, introduced by my right hon. Friend the Member for Streatham, covers major infrastructure applications under the town and country planning regime, the Bill before us will cover applications under another seven regimes. In other words, it will provide a single, better, more predictable and more accountable system to replace the patchwork that we have at the moment. At present, projects are examined by a planning inspector but decided by a Minister, so two people have to go over the same information sequentially. It is right and proper that Ministers should set policy, but it is not clear that they are the best placed people to make the often very technical decisions about individual project applications.

Above all, under the present system, Ministers are responsible for setting national objectives for infrastructure development. In some cases, such as highways, they are also the promoters of individual projects. They also take decisions on whether to approve planning applications. Under the new system, decisions on actual applications will be taken by an independent body of experts. That means that there will be a clear separation between policy making and project promotion on the one hand, and decision taking on the other, to ensure that decisions are taken in the most clear-cut way possible. That will clear, rather than blur, the lines of accountability.

Mr. Betts: Will my hon. Friend at least concede that public perception is important in this regard? Ministers will take the final decision following a public hearing on a relatively small matter such as an extension to the green belt or to a school, or the planning permission for a football ground. However, it will be a commission that takes the decision on the location of a nuclear power station, for example. A Minister will not ultimately be responsible in such a case.

John Healey: My hon. Friend made exactly that point in the debate. As the White Paper said, we are looking at whether certain decisions currently taken by Ministers could properly be devolved to local planning authorities—that is, looking at whether we could move in the other direction. Also, having listened to the responses to our consultation, our new proposal allows for a limited set of circumstances in which the right people to take certain decisions will be Ministers.

Mr. Roger Williams (Brecon and Radnorshire) (LD) *rose—*

John Healey: I am going to come on to the point about Wales. If the hon. Gentleman will forgive me, I want to make some progress and respond to hon. Members on some substantive points.

My right hon. Friend the Member for Greenwich and Woolwich was quite right in his observations about the role and importance of good planning. The hon. Member for Carshalton and Wallington asked three specific questions, so let me provide the answers. The first was about the role of local authorities—a worry shared by my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts). Let me make it clear that local authorities will have a central role in the new regime. They will be statutory consultees on national planning statements that identify particular locations for development. Developers will be obliged to consult them on their project proposals and they will also be statutory consultees in the inquiry system. The Bill thus protects and enhances rather than reduces the role of local authorities.

Secondly, the hon. Member for Carshalton and Wallington asked whether the infrastructure planning commission could reject applications and the short answer, in view of the limited time available, is yes. We can discuss the basis of that in more detail later. Thirdly, he asked whether we gave more weight to some consultation responses than to others. Let me be clear that equal weight was given to responses to the consultation, regardless of who gave them. Let me also say that where there is clear evidence that individuals have considered the matters personally, that can often be of greater assistance to us than pro-forma letters. More information is revealed and many of the pro-forma letters did not address the questions that we had set out in the consultation.

The right hon. Member for Suffolk, Coastal raised a series of points. He was principally concerned about the public voice at the local level. May I tell him, my hon. Friend the Member for Stroud (Mr. Drew) and the hon. Member for Cheltenham (Martin Horwood) that the public voice will be clear, as I will explain? Promoters will be required to consult local communities before submitting an application to the commission. They will also consult the relevant local authority and other bodies such as the Environment Agency, English Heritage and others, depending on the impact of a particular project. Local people will be able to submit evidence in writing, allowing some to participate without taking long periods off work to attend inquiries. People who have registered will also have the right to give evidence at an oral session organised by the commission. In other words, the public will be able to put across their own points of view without the need to hire expensive barristers. That is also my answer to the hon. Member for Beckenham who spoke about the right to be heard.

Several hon. Members *rose—*

John Healey: I am not giving way at this stage.

My hon. Friend the Member for Pudsey (Mr. Truswell) has certainly been closely involved in supporting local communities over local applications, and I hope that what I have just said will help him to some extent. It is true that people sometimes lack confidence, but they should not lack opportunity—the Bill will ensure that they do not—and they should not lack support. Our increased support for planning aid will help to ensure that they do not.

The hon. Member for Poole seemed to welcome national planning policy statements and the community infrastructure levy, which he recognised would be more transparent and simpler. My hon. Friend the Member for Brighton, Kemptown (Dr. Turner) spoke very strongly on renewable energy; he has a long track record on such matters. He will recognise this afternoon's important announcement by the Secretary of State for Business, Enterprise and Regulatory Reform on offshore wind power. He will also recognise the need for a planning system and reform of it, as he did in his speech, in order to secure the big boost to offshore renewable wind energy that this country is uniquely placed to deliver.

The hon. Member for Caernarfon (Hywel Williams) wanted to know what assurance I could give that the Bill would not curtail or limit the Welsh Assembly's planning powers. Let me tell him that we have no intention of undoing the devolution settlement; we will ensure that the Bill does not change the Welsh Assembly's planning powers in any way.

Mr. Roger Williams: Under the current arrangements, any planning application for a power station in Wales over 50 MW is dealt with by a Minister here. It has been a long-standing ambition of the Welsh Assembly Government for that power to be taken up in Wales. Tripartite talks between the Wales Office, the Welsh Assembly and the Department of Trade and Industry as was were moving in that direction. Have those talks informed the Bill and is there any likelihood of those powers being devolved to the Assembly?

John Healey: The discussions continue.

My hon. Friend the Member for Hayes and Harlington conceded that there was a problem with the terminal 5 applications, partly because the developer was time-wasting and partly because objectors in the community were unfunded. The Bill and our arrangements will help with both. He gave a fair and important warning about trust in the system. Our aim is to strengthen that with the national planning policy statements before the House and the planning process in the Bill.

The hon. Member for North Cornwall (Dan Rogerson) asked about class orders—

John McDonnell: Will my hon. Friend give way?

John Healey: Not at this stage. If my hon. Friend wants to serve on the Committee, we will consider that.

I say to the hon. Member for North Cornwall that class orders are about land use and not well suited for local social issues. My hon. Friend the Member for City of Durham and a number of hon. Members talked about the Bill's environmental importance.

To be clear—this is in response to the consultation—the Bill proposes a duty on the Government to ensure that national policy statements contribute to sustainable development. There will have to be an appraisal of the sustainability of the policy in each statement, and in respect of town and country planning there will be a new duty to ensure that councils put the fight against climate change at the heart of local plans. That is why the Sustainable Development Commission said today:

> "The SDC is encouraged by the government's recognition of the central role of sustainable development in the Planning Reform Bill, as shown by the requirement for the Secretary of

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> State to develop National Policy Statements 'with the objective of contributing to the achievement of sustainable development'."

That is a significant body and a significant view, and endorsement for our approach.

I say to the hon. Member for Hertford and Stortford that the Bill does not affect the tests that will be used for town centres. He sees potential problems of conflict of interest where none in reality exists. He and the hon. Member for Rochford and Southend, East asked why flood defences are not included. May I make this point clear, particularly as I am Minister responsible for floods recovery? Some flood defences will be included—for instance, dams and barrages that generate electricity or ensure adequate drinking water—but the impact and issues around sea walls remain primarily of interest to the region and the surrounding local area. Local and regional authorities remain the best decision makers.

My hon. Friend the Member for Llanelli (Nia Griffith) is concerned about cockle beds and cocklers, and wants to know whether water companies will be statutory consultees. The answer is yes.

The Bill will remove unnecessary sources of delay that have plagued major infrastructure projects in the past, a lack of clear Government policy, multiple overlapping consent regimes, inadequately prepared applications and complex multi-stage processes. It will reform the planning system to make Britain better able to cope with the 21st century. It will speed up decisions and accelerate the transition to a low-carbon economy. Therefore, I urge Conservative Members not to press the amendment.

Question put, That the amendment be made:—

The House divided: Ayes 215, Noes 281.

Division No. 023] **[9.59 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baker, Norman
Barrett, John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Öpik, Lembit
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike

Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. John Baron and
Mr. Nick Hurd

NOES

Abbott, Ms Diane
Ainger, Nick
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Robinson, rh Mr. Peter
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C.
(Sheffield, Hillsborough)
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon

Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Michael Foster and
Mr. Frank Roy

Question accordingly negatived.

Main Question put forthwith, pursuant to Standing Order No. 62 (Amendment on Second or Third Reading):—

The House divided: Ayes 276, Noes 212.

Division No. 024] **[10.13 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nichclas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Robinson, rh Mr. Peter
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C.
(Sheffield, Hillsborough)
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin

Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Frank Roy and
Mr. Michael Foster

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baker, Norman
Barrett, John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Öpik, Lembit
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. John Baron and
Mr. Nick Hurd

Question accordingly agreed to.

Bill accordingly read a Second time.

PLANNING BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(7) (Programme motions),

That the following provisions shall apply to the Planning Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 5th February 2008.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed. *[Liz Blackman.]*

The House divided: Ayes 309, Noes 152.

Division No. 025] **[10.26 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Fiello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Don
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Heyes, David
Hillier, Meg
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Rennie, Willie

Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rowen, Paul
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C.
(Sheffield, Hillsborough)
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Frank Roy and
Mr. Michael Foster

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Bacon, Mr. Richard
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Mr. Dai
Davies, David T.C.
(Monmouth)
Davies, Philip
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howarth, Mr. Gerald
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Randall, Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
Mr. John Baron and
Mr. Nick Hurd

Question accordingly agreed to.

PLANNING BILL *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with Bills).

That, for the purposes of any Act resulting from the Planning Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(1) any expenditure incurred under or by virtue of the Act by the Secretary of State, and

(2) any increase attributable to the Act in the sums payable out of money so provided under or by virtue of any other Act.—*[Liz Blackman.]*

Question agreed to.

PLANNING BILL *[WAYS AND MEANS]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with Bills),

That, for the purposes of any Act resulting from the Planning Bill, it is expedient to authorise—

(1) the charging of fees, and

(2) the imposition of a Community Infrastructure Levy.—*[Liz Blackman.]*

Question agreed to.

WELSH GRAND COMMITTEE

Ordered,

That—

(1) the matter of the Government's Legislative Programme as outlined in the Queen's Speech as it relates to Wales and Public Expenditure in Wales be referred to the Welsh Grand Committee for its consideration;

(2) the Committee shall meet at Westminster on Wednesday 12th December at nine o'clock and between two o'clock and four o'clock to consider the matter referred to it under paragraph (1) above.—*[Liz Blackman.]*

HEALTH

Ordered,

That Mike Penning be discharged from the Health Committee and Mr Peter Bone be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

Olympics and the North-east

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

10.37 pm

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): May I thank you, Mr. Speaker, for granting me this debate, which is important for Teesside and the north generally?

I am delighted that my right hon. Friend the Minister for the North East will respond to the debate. This is groundbreaking, in parliamentary terms, because it is the first time that a regional Minister will respond to a debate on the Floor of the House. I have known my right hon. Friend for many years and I admire and respect him immensely. This is the first time that he will be responding to one of my debates. I was delighted when my right hon. Friend was appointed Minister for the North East. He has been going round the whole region, and he is a champion of our area.

A crucial part of the role of the regional Ministers is to ensure that their regions benefit from the 2012 Olympics. When it was announced on 6 July 2006 that the 2012 Olympics would be hosted by London, it was a proud day for the whole country. It will be the first time that the games have been hosted in Britain since 1948. The decision was testimony to the hard work of all the London 2012 team and the Government.

Although the games will be held in London, I strongly feel that we should strive to make the 2012 Olympics benefit the country as a whole. In some regions, there is a feeling that despite the public money being spent, the benefits of the Olympics will be limited to London, but I should like to challenge that notion. The north-south divide is still a real concept in the eyes of many people across the country, and to many of my constituents. We must ensure that rather than enhancing the perception of that divide, the 2012 Olympics attempts to bridge the gap and unite the nation. The London 2012 Olympic games present us with a host of challenges and opportunities across the country; that is why I called for this debate.

I shall highlight four ways in which the north-east region, and Teesside in particular, could benefit from the Olympics. First, I will highlight the efforts being made by One NorthEast and Sport England through a regional forum to maximise the benefits of the Olympics to the region. I will talk about the bid to host a pre-event training camp. That would be a huge economic boost for the region and would leave a lasting cultural legacy. Secondly, I will briefly outline the business opportunities presented by the 2012 Olympics in key sectors such as construction. Then I will highlight the great potential that hosting the 2012 games has for galvanising interest in sport among young people. That opportunity should not be missed, given the recent concern about public health issues such as obesity. Finally, on a more important point, I will talk about skateboarding as an Olympic sport for 2012; skateboarding events could ideally be hosted in Middlesbrough.

First, as I mentioned, and as my right hon. Friend will be aware, a regional forum has been set up to deliver a regional plan for the 2012 games. The plan focuses on themes, and actions will be led by Sport England and the regional development agency, One

NorthEast. One NorthEast will take the lead on the following themes: business, tourism and image, culture, and skills and volunteering. Sport England will take the lead on facilities, performance sport, children and young people, and health. All those areas are crucial, and I hope that my right hon. Friend will liaise with the regional forum to ensure that progress is made in each one. I hope that he can provide a link between the regional forum and the Government, in particular the Minister for the Olympics.

One of the most significant opportunities for the north-east region is the chance to be host to competing nations, allowing athletes to get used to our climate and use local facilities in the months, or even years, prior to the event in 2012. There will be a final holding camp for teams a few weeks before the official start date of the games.

The London Organising Committee of the Olympic Games will publish and distribute a guide detailing the UK's available training facilities at the Beijing games. Twenty proposals from the north-east were submitted on 1 May 2007. Sport England and One NorthEast met the Olympics officials in London on 2 May 2007 to discuss each of the facilities. The meeting was positive and no concerns were raised by officials. Since May 2007, LOCOG has been contacted several times to establish whether it has any concerns regarding the region's facilities. No concerns have been identified so far, but it is uncertain whether Olympic officials will visit the north-east to inspect the region's facilities. The time line for the announcement of which facilities will appear in the guide is January 2008. Will my right hon. Friend encourage Olympic officials to visit the north-east to secure a recommendation for the region in the Olympic guide? That could be a huge boost for the region, as I am sure he will agree. In addition, the athletes would be able to benefit from visiting great towns and cities such as Middlesbrough and Newcastle. They would also have the opportunity to visit the beautiful countryside that covers Redcar and Cleveland, not to mention the picturesque coastline, which was featured in the blockbuster film, "Atonement".

My second point concerns another significant potential benefit for the region—the business opportunities offered by the 2012 Olympics. It is expected that the event will provide a multi-million-pound boost to business in the north-east, particularly given our expertise in key sectors. The One NorthEast business team has developed a strategy to help regional companies to bid for London 2012-related procurement opportunities. That strategy includes raising awareness of available opportunities, helping companies to ensure that they have the necessary skills to bid for tendering opportunities, and building regional partnerships and networks. One NorthEast has been delivering masterclasses, one-to-one advice sessions and seminars on London 2012 opportunities. It has also been in discussions with LOCOG, the Olympic Delivery Authority and the London Development Agency regarding the electronic brokerage service, which will provide unprecedented access to London 2012 business opportunities for small and medium-sized enterprises. Will my right hon. Friend work closely with the Department for Business, Enterprise and Regulatory Reform to ensure that those programmes are given Government support?

My third point is that perhaps the most enduring legacy that the Olympics have the potential to leave throughout the whole country is the generation of a greater interest in sport. That could be particularly powerful in our schools, where public health problems such as obesity are becoming more common. Legacy Trust UK was launched with £40 million of funding, mainly to use the 2012 games to promote culture and sport among young people. I am pleased that £1.53 million has been channelled directly into projects that encourage participation in culture, sport and well-being.

My fourth and final point concerns the prospect of skateboarding being an Olympic sport for the 2012 games. I am not sure whether my right hon. Friend knows a great deal about the sport or has ever participated in it—I certainly have not—but it is one of the fastest-growing sports in the world, with about 600,000 regular participants in Britain. In the United States, France and the Scandinavian countries, it is part of the curriculum. Discussions are under way about the prospect of skateboarding making its Olympic debut at the 2012 games. There are some 600 skate parks in Britain, about 100 of which are in London. In November 2005, I had the pleasure of opening Prissick skate plaza in Middlesbrough, which is one of the country's biggest and most impressive facilities. That plaza could be used in the 2012 games, which represents a real opportunity for the region, particularly Middlesbrough. Perhaps my right hon. Friend could use his good offices to put forward the case for it to be used for training purposes and, if possible, for the competition itself.

Newcastle United's stadium, St. James's Park, which my right hon. Friend attends, is being used for some of the football matches, and I am slightly disappointed that Middlesbrough FC's stadium, the Riverside, is not being used. One concern that has been raised with me is that so many Government Departments are involved with the legacy of the Olympics that there may be a lack of co-ordination. Will he pass on that concern to ensure that we have cross-departmental co-operation and thus clarity with national initiatives, particularly as regards finance? Ensuring that their region takes advantage of the opportunities the 2012 Olympics will bring is a crucial role for regional Ministers. I am confident that in my right hon. Friend we have the best possible champion for the north-east.

In conclusion, I ask my right hon. Friend to work closely with One NorthEast, Sport England and the regional forum in delivering the regional strategy. Will he try to send a delegation of Olympic officials to the region so that they can see for themselves the facilities that we have? Hopefully, that will secure a recommendation for the region in the Olympic guide. If skateboarding becomes an Olympic sport, will he make every effort to put forward the case for Middlesbrough skate park to be used in the 2012 games? The 2012 Olympics will be a momentous time for the whole country, and I am confident that the north-east can take full advantage of the opportunities that they will present. In addition, I sincerely hope that the British 2012 team will be full of top athletes from the north-east region.

10.50 pm

The Minister for the North East (Mr. Nicholas Brown): Mr. Speaker, you are presiding, Sir, over what I think is a pioneering parliamentary event. I believe that I am the first of the newly appointed regional Ministers to come to the Dispatch Box and respond to a debate

[Mr. Nicholas Brown]

under that portfolio. I am also responding under that of my right hon. Friend the Minister for the Olympics.

I thank my hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar) for his kind words about the ministerial office that I hold, and I can tell the House that we have been political friends and allies for a very long time. He has been a champion for the community that he represents, as his securing of the debate, and his contribution to it, shows. My right hon. Friend the Minister for the Olympics had hoped to attend the debate, but she is metaphorically "Over the hills and far away"—no doubt "Out on the tiles"—so that leaves me to say to my hon. Friend, "Your time is gonna come". Through "Good times, bad times", my hon. Friend has been a champion for Middlesbrough and for Cleveland. Indeed, in securing today's Adjournment debate and drawing attention to the Olympics—an event that is an opportunity to bring economic, social and cultural benefits to the north-east of England and Middlesbrough, and right across the UK—he has shown a determination and commitment to stand up for the communities that he represents as an MP, and that I represent as regional Minister.

The Government and the London Organising Committee for the Olympic Games are working hard to ensure that the benefits of the games reach across the UK. One of the main formal mechanisms for achieving that is the nations and regions group to which my hon. Friend referred. The group is chaired by Charles Allen, and it works to optimise the benefits from the 2012 games to the three nations and nine English regions of the UK. Each of those nations and regions has a senior representative in the group. Also, each nation and region has a 2012 co-ordinator who works full time on maintaining strong links with the region and others working on the games.

Obviously, the primary purpose of the games is sport. We want to stimulate interest in sport throughout the world, and nowhere more so than in the host nation. I am really grateful to my hon. Friend for what he said about the achievement of winning the games for the UK and London. They are something in which the whole country can participate and take pride. There are, of course, the added benefits of tourism, culture and business, as he appreciates. A business opportunities network has been created, which will do three things that I hope will be of some reassurance to him. It will offer information about the 2012 contracts through an e-tendering alert service and an electronic brokerage service. It will offer support and guidance through Business Link, and as he knows, Business Link in the north-east has, through its chief executive, already got a connection with Middlesbrough. It is a good organisation, which serves us well. The network will also provide events and engagements. There will be a range of regional and national industry events, which are opportunities to meet the buyer, so that those who wish to submit tenders can interface with those to whom they apply.

There will be pre-games training camps. In preparing for the debate, I had a chance to discuss those matters with my right hon. Friend the Minister for the Olympics and she assures me that, although decisions will not be made until January and afterwards, there are bids in, as my hon. Friend said, from the north-east, and the people assembling and evaluating the different bids are impressed with those from the north-east of England.

The run-up to the games will be an opportunity for volunteering. Approximately 70,000 games time volunteers are needed from throughout the country and I hope, as does my hon. Friend, that some of them will come from the north-east.

Let me deal with my hon. Friend's specific points. I cannot say more about the training camp proposals except that the submissions are highly regarded and that, as Minister for the region, I will do my best with him to champion its case. My hon. Friend asked whether the Olympics committee had visited the north-east to examine the facilities that are available in our region. The answer is yes. As he probably recalls, the Olympic roadshow came to Middlesbrough on 4 July for the festival of sport activities. However, I am not sure whether that qualifies as inspecting the facilities. He made his point, which was reasonable, well, and I will join him in my capacity as regional Minister to ensure that it is properly made to the Government. When decisions are for the London Organising Committee, not specifically for the Department, it is nevertheless right to make the representations that my hon. Friend has made so that they can be tackled supportively and appropriately.

My hon. Friend referred to skateboarding. As I understand it, the International Olympic Committee is looking to reduce, not increase the number of sports that the Olympic games cover. However, as I understand the current position, things may have changed by 2012, not least with the growing enthusiasm for and popularity of the sport of skateboarding. I welcome the new, world-class stadium that was built in Middlesbrough. If there were to be a centre for the sport, Middlesbrough would be a good candidate. Again, should circumstances change, or should there be other events that could take place in Middlesbrough, I will stand alongside my hon. Friend to champion that cause.

My hon. Friend said that he feared a "communications breakdown" in tackling interdepartmental co-ordination. Elaborate arrangements are in place to ensure that that does not happen. Time is moving on and it is not possible in such a debate to elaborate on all the arrangements. However, if it will satisfy my hon. Friend, I will write to him from my comprehensive briefing on the subject, and set out the arrangements that are currently in place. If he feels that there are any shortcomings and that our region or a specific aspect of our nation's public life is not represented, I promise to take that up directly with those who deal with the co-ordinating arrangements.

Let me conclude this useful, important and, in one way, pathfinding debate with a quote from the pop group Led Zeppelin:

> "Many dreams come true and some have silver linings
> I live for my dream and a pocketful of gold."

I hope that that contents my hon. Friend.

Question put and agreed to.

Adjourned accordingly at one minute to Eleven o'clock.

House of Commons

Tuesday 11 December 2007

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Probation Trusts (Leicestershire)

1. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What assessment he has made of the likely impact of the creation of probation trusts on the provision of probation services in Leicestershire. [172657]

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): Leicestershire and Rutland has been in the top three performing probation areas for a number of years. It applied to be in the first wave of probation trusts starting on 1 April 2008 and was accepted. The emphasis on local delivery and local commissioning will give Leicestershire and Rutland greater flexibility to meet local needs and will enable it to strengthen its performance further.

David Taylor: "Contestability"—as two words—is a prerequisite for prominent pugilists and synchronised swimmers, but as one word, it is an unnecessary framework for the delivery of offender supervision on the evidence of its application within probation so far. Will the Minister confirm that she still opposes outsourcing by dogma and explain how imposing on probation trusts a competitive market, with its attendant secretive contract culture, will not crush the co-operation that is so vital in ensuring the success of this public service in Leicestershire and elsewhere? Is this not just a privatisation that dare not speak its name?

Maria Eagle: My hon. Friend has been consistent in his opposition throughout the passage of national offender management legislation, and he continues his reputation in the House for asking witty questions—a tough thing to do with Question 1—but I disagree with him. This is not privatisation; it is about local autonomy and flexibility within a best value setting. I can tell my hon. Friend that, as we said during the passage of the legislation, there will be no compulsion to outsource. Ministers have given guarantees about work remaining with probation trusts. I expect Leicestershire and Rutland to go from strength to strength in providing even better quality services than they have thus far.

Adult Reoffending

2. **Mr. Gordon Marsden** (Blackpool, South) (Lab): What steps his Department is taking to reduce adult re-offending rates. [172659]

The Minister of State, Ministry of Justice (Mr. David Hanson): The Government are committed to reducing adult reoffending and the latest figures show that it is down by 5.8 per cent. since 2000. We are now consulting on a new strategic plan to build on our success in reducing reoffending.

Mr. Marsden: This is a good time of year to be talking about the power of redemption and the Minister's words on the progress being made are extremely encouraging. I particularly welcome some of the imaginative schemes that emerged from the preceding and the current Department—work done with young offenders via HMP Kirkham near Blackpool, and the good work done in local communities. However, does my right hon. Friend agree that when offenders get out of custody and into the outside world, access to jobs and skills will be crucial in preventing reoffending? Does he also welcome, with me—*[Interruption.]*

Mr. Speaker: Order. A supplementary question must be brief.

Mr. Hanson: My hon. Friend is exactly right that employment is one of the keys to the prevention of reoffending. He will know that, in two test-bed regions in the west midlands and the eastern region, we are trying to link employers outside in the community with work undertaken by offenders serving sentences in prisons. It is key that we look at the skills that people need when they leave prison and try to work with employers outside to prevent reoffending. The corporate alliance is doing some sterling work to link employers with offenders and ensure rising levels of employment.

Mr. Humfrey Malins (Woking) (Con): Seventy per cent. of the defendants whom I have to sentence are addicted to crack cocaine or heroin. They go to prison, take more drugs, come out and reoffend. Does the Minister accept that drug residential rehab beds are a much better form of treatment than prison and are, in fact, cheaper?

Mr. Hanson: The hon. Gentleman is right in the sense that a very strong drug problem is linked to offending. One of the key pathways that we need to work on is how to reduce reoffending through work on drug abuse. I am happy to look further into his suggestions. We have put many resources into the prison system, and he will know that this year some 24,500 drug users are benefiting from clinical services in prison. I want to see more done, because stopping the drug problem and helping to prevent people from going back to the drug culture when they leave prison is one of the key ways in which we can reduce reoffending.

Alan Simpson (Nottingham, South) (Lab): One of the most successful intervention projects in my own area has taken young people with a track record of multiple car thefts and involved them instead with work on building and racing stock cars. The wheelbase motor project, at a fraction of the cost involved in keeping such young people in prison, has been able to keep them out of prison and out of reoffending. The problem it has faced, however, is access to long-term secure funding. Has the Minister been able to look at how we can take the most successful interventionist projects and give them the security of funding that the voluntary sector often lacks?

Mr. Hanson: I know that the scheme that my hon. Friend mentions is very important. Indeed, my right hon. Friend the Lord Chancellor has visited the scheme and supports its objectives. I am keen to look at any imaginative scheme that can help to prevent reoffending. As the Under-Secretary of State for Justice, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), said in answer to Question 1, we are now looking into how we can involve the voluntary sector, the private sector, local government and other agencies in working with the Prison Service and the probation service to add value to our attempts to prevent reoffending. I am particularly interested to look further into the schemes that work. If possible, I will gladly visit the constituency of my hon. Friend the Member for Nottingham, South (Alan Simpson) to see that scheme in operation next time I am in Nottingham.

Philip Davies (Shipley) (Con): According to the Government's report "Re-offending of adults", of those who spend up to a year in prison 70 per cent. reoffend, of those who spend up to two years in prison 49 per cent. reoffend, and of those who spend more than four years in prison only 35 per cent. reoffend. Does the Minister accept that that means that the longer people spend in prison the less likely they are to reoffend, and if he does, why does he keep letting them out early?

Mr. Hanson: I cannot agree with the hon. Gentleman that we should increase the length of prison sentences for some crimes of a lower order. What we need to do is what the Government are trying to do—tackle persistent offenders, and consider how to deal with issues relating to drugs, numeracy, literacy and employment.

One of the reasons why lower-level sentences are not working is that people go through a revolving door, but that does not lead me to conclude that we should increase the length of sentences for those serving under 12 months. I take the view that we should consider what we can do to prevent the causes of crime by tackling drug problems, placing people in employment and trying to introduce some order to what are often chaotic lives.

Fiona Mactaggart (Slough) (Lab): Does the Minister accept that the factors that contribute to reoffending among women are rather different from those that contribute to reoffending among men? One of the most significant factors for women is contact with their children. Does the Minister share my disappointment that the Department's spending plans for new prisons do not include substantial investment in small units of the kind envisaged in the Corston report, enabling women to stay closer to their children and maintain contact with their families, thus making them less likely to reoffend?

Mr. Hanson: I know that my hon. Friend takes a keen interest in this issue. I am pleased to tell her that we have accepted in principle my noble Friend Lady Corston's recommendation on small units, and that I have asked the Under-Secretary of State for Justice, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), together with my hon. and learned Friend the Solicitor-General and the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Stevenage (Barbara Follett), to take work forward over the next six months dealing with how we can make Lady Corston's wish for small custodial units a reality. We also wish to consider—this is important—what we can do to remove women from custody altogether through community-based sentences for those who commit the low-level crimes referred to by the hon. Member for Shipley (Philip Davies).

Donations (Political Parties)

3. **Mr. David Heathcoat-Amory** (Wells) (Con): What guidance his Department has published on compliance with the law governing donations to political parties. [172660]

4. **Mr. Philip Dunne** (Ludlow) (Con): If he will issue guidance to hon. Members and other members of political parties on the law on donations to political parties. [172661]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): The law relating to donations to political parties is principally set out in part IV and schedules 6 and 7 of the Political Parties, Elections and Referendums Act 2000. Under that Act, it is for the Electoral Commission to issue guidance on the operation of the law. That guidance is available on the commission's website, www.electoralcommission.org.uk. I have a copy here which I should be happy to pass to the right hon. Gentleman.

Mr. Heathcoat-Amory: Would it help if, rather than contemplating more legislation, the Labour party started to observe the law that it passed itself? Can the Secretary of State explain how it is that some trade unions pay the Labour party individual affiliation fees for more than 100 per cent. of their members, and will he advise the trade unions to stop that particular abuse before the police do so?

Mr. Straw: The right hon. Gentleman answered the end of his own question towards the end of his comments. Let me make it clear that there is absolutely no evidence that the trade unions have failed to observe the law, and the requirements made of them under both trade union and electoral law legislation. There was none up to 1998, when the Neill Committee on Standards in Public Life reported. At that stage the Conservatives, in full possession of all the evidence about levels of compliance, said that they had no plans whatsoever to change the law governing trade unions, and the Neill committee said the same. During the Hayden Phillips inquiries, however, we have accepted that changes are necessary, and I accepted that when I spoke in the House last Tuesday.

The test is really for the Conservative party, however. The Conservatives said that they welcomed the publication of Hayden Phillips's report and accepted his main recommendations: exactly those words were used by the right hon. Members for Maidenhead (Mrs. May) and for Horsham (Mr. Maude). The question now is whether they will match their promise with undertakings to meet what Hayden Phillips set out.

Mr. Dunne: I listened carefully to the Secretary of State's answer to the question asked by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory). Is the Secretary of State seriously condoning the Soviet-style practices of trade unions, which are affiliating more members to the Labour party than they themselves have as members? Many of those members do not have the opportunity to direct where affiliation fees are paid, and many of them vote Conservative.

Mr. Straw: What I can do is congratulate the hon. Gentleman on being able to read an article by Matthew Parris in *The Times* last Saturday that contained the ridiculous reference to Soviet-style operations. I admire his mimicry, if nothing else. I also say to him, yet again, that when we asked the Electoral Commission whether it had any evidence of a failure to comply with the spirit and the letter of the law in respect of trade union contributions, it said that it had none. The certification officer has reported that over the past 10 years three complaints have been made, only one of which has been upheld. We accept that the law in this area needs to be brought up to date—that has come out through the inquiries by Hayden Phillips in which we have participated—but the question for the Conservative party is whether, having accepted the full gamut of what he proposed, including spending limits at local and national level, it will back fine words with support for this policy.

Andrew Mackinlay (Thurrock) (Lab): We are talking about smoke and mirrors, and funding of political parties. Does my right hon. Friend think that we could be told how Conrad Black got his peerage? Can we be reassured that the reason was nothing so grubby as to involve money? There is no logic as to why even the Conservative party would have asked that man. He does not attend the House of Lords—he soon will not be able to do so—and was not a national of this country, so I want to know why he was preferred over and above the many thousands of Conservative party activists.

Mr. Straw: I am afraid that the Conservative party moves in a mysterious way, and it is not for me to speculate as to those reasons. In our White Paper on House of Lords reform, we committed ourselves clearly to ensuring that the same disqualification rules apply when peers have been convicted of a criminal offence as apply to Members of this House—and the sooner, the better.

Mr. Dennis Skinner (Bolsover) (Lab): Will my right hon. Friend confirm that, after the Tories introduced legislation enforcing requirements for the trade unions to hold ballots every so many years in order to take part in political donations, that money was clean at the time when Asil Nadir gave £400,000-odd to the Tory party, which never came back? Does he also agree that that trade union money was clean in 1998 when the drug baron in China gave $1 million to the Tory party for a printing press in Reading—money that was never given back? In other words, throughout this period the trade union money has been clean and the bosses' money to the Tory party has been dirty all the time.

Mr. Straw: My hon. Friend, as ever, is entirely accurate. The simple truth is that whatever smokescreen the Conservative party now wishes to erect around the issue of trade union money, it was the Conservative party, as he, I and others in this House recall, that sought time after time during the 1980s to change those laws to make it more difficult for trade unions to make contributions to the Labour party. The Conservatives thought that the ballot system would result in trade unions eschewing association with the Labour party, but through democratic voting, it turned out that they were wrong.

Pete Wishart (Perth and North Perthshire) (SNP): Does the Lord Chancellor agree that when these important laws on political donations are broken, ignorance of the law can never be an excuse? Does he further agree that it is even more ridiculous to claim that no intentional wrongdoing has taken place, as some of his party have claimed?

Mr. Straw: What I say to the hon. Gentleman, because I am a generous fellow, is that on this occasion I agree with the Leader of the Opposition. In his press conference on 3 December, he made an important reference, saying that all parties make mistakes and that all of us have done this over the years. So we know that innocent mistakes and mistakes of compliance can be made.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Can my right hon. Friend confirm that any proposed changes to the law on party funding will apply throughout the UK?

Mr. Straw: Almost all electoral law is reserved and therefore any changes will apply throughout the UK.

Mrs. Eleanor Laing (Epping Forest) (Con): It is utterly astounding that the Lord Chancellor talks about the Conservative party when what is in question this afternoon is, as the Prime Minister himself has said at the Dispatch Box, that the Labour party has broken the law. I wonder what the Lord Chancellor is afraid of, because it is he who is hiding behind a smokescreen. The Government make the law and then try to find every possible way to get around it or indeed to break it. Does he accept that it is the Government's very integrity and trustworthiness that are now at stake? It is his party that has broken the law and brought our democratic process itself into disrepute. It is his party that is in power, so the question is not what we are going to do, but what he is going to do to restore the faith of the British public in our democratic system.

Mr. Straw: I like the hon. Lady and she is held in great affection by the House, but synthetic ranting will not do her much good. It was this Government who established a full-scale inquiry into party funding in 1997 when the Conservatives had refused it for years. We introduced the laws on transparency that have ensured that, when they are transgressed, those failings are exposed. As the Under-Secretary of State for Justice, my hon. Friend the Member for Lewisham, East (Bridget Prentice), spelled out when she wound up last Tuesday's debate, no one on the Labour Benches excuses for a second things that have happened inside the Labour party that we greatly regret. We have made that absolutely clear, but my responsibilities are as a member of the Government, and we are proud of the legislation that we have introduced. I hope that there will be backing for what Hayden Phillips proposes, including for changes to the present lack of transparency in respect of unincorporated associations, which include not only the Midlands Industrial Council, which funded the campaign of the shadow Minister of Justice when his constituency of Arundel is miles away from the midlands, but Marginal Magic, which funded the Conservative campaign in Ludlow at the last election.

Mr. David Winnick (Walsall, North) (Lab): Does my right hon. Friend accept that what is required is speedy legislation in the new year in order to stop the sort of abuse by which Lord Ashcroft is trying to buy up marginal constituencies? Is not that the sort of practice that should have stopped in the 19th century and can my right hon. Friend promise us that we will not have to wait too long for such a change in the law?

Mr. Straw: There is certainly an important case for changing the law—if it is possible, although it may not prove so—as Sir Hayden Phillips recommended. I hope that we can gain all-party agreement on that, but it may not be possible. Meanwhile, there are some important questions for the Conservative party to answer in respect of the tax status of some of its major donors. All of us remember last Tuesday when, time and again, the right hon. Member for Horsham (Mr. Maude) gave a carefully crafted but indirect answer to clear questions that were posed to him.

Carter Review

5. **Mr. Mike Hall** (Weaver Vale) (Lab): What steps he is taking to implement the recommendations of the Carter review of prisons. [172662]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I set out the Government's plans to implement the Carter review in my statement to this House on 5 December. I announced an additional 10,500 prison places to come on stream by 2014, including up to three very large "titan" prisons, as recommended by Lord Carter, and funding towards that programme of £1.2 billion capital and resource. I will also establish a judicially led working group to consider the advantages, disadvantages and feasibility of a permanent sentencing commission.

Mr. Hall: I thank my right hon. Friend for that answer. Given the Home Secretary's short-sighted and damaging decision this week not to implement in full the findings of the police pay review, what assessment has my right hon. Friend made of the Prison Service's ability to manage prisoners in police cells, if police officers work to rule?

Mr. Straw: I am afraid that I do not accept my hon. Friend's description of the decisions that the Government as a whole made on public sector pay, including pay for police officers. We have great admiration for the police. We have worked very hard—I did when I was Home Secretary, and all my successors have done so—to ensure that the police are properly rewarded, and they are. That is shown in high levels of retention and very high levels of interest in recruitment to the police service. On the so-called Operation Safeguard, which concerns the use of police cells, I have had no information whatever to say that it is likely to be affected by any suggestions of the kind that my hon. Friend mentions.

Sir Nicholas Winterton (Macclesfield) (Con): While additional prison places are clearly long overdue—I am delighted that the Government have announced that a substantial number will be constructed in the coming years—does the Lord Chancellor not accept that what the Prison Service requires is more vocational training facilities and more genuine educational facilities, so that when people come out of prison, they have been rehabilitated and are given the opportunity to apply for jobs in the real world outside, and do not resort to criminality?

Mr. Straw: I am glad that the hon. Gentleman welcomes my announcement on Carter. It builds on the 20,000 places that have been provided in the past 10 years—that is twice the rate under our predecessors. The figures include 1,400 places this calendar year and 2,300 next year. I accept what he says about the importance of expanding education and training in our Prison Service. They have improved dramatically in the past decade. More than 23,500 offenders were engaged in learning in the Prison Service this June, and spending on offender learning has almost trebled since 2001, but we can still do more, and I am glad to have the hon. Gentleman's support on that.

Mr. Mark Todd (South Derbyshire) (Lab): We must also address the quality of the existing provision of prison places. I do not know whether my right hon. Friend's Department has drawn his attention to the inquest results on Martin Green, my constituent who died in Blakenhurst prison in the summer of 2002. It is perhaps revealing that the inquest took so long to arrive at a conclusion. Is my right hon. Friend prepared to meet relatives of Mr. Green to discuss the appalling lack of care that the inquest revealed? I have seen the post-mortem results, and the case has the nearest resemblance of any that I have seen to that of someone from a concentration camp—a victim of the Nazis.

Mr. Straw: I do not want to comment on that individual case, except to say to my hon. Friend that of course I will make arrangements to see the bereaved relatives. Our hearts go out to the family and friends of any prisoner who dies in such circumstances, and indeed to the staff concerned. The Prison Service has worked extremely hard better to identify prisoners who are at risk of self-harm, although it cannot be a perfect science, and to reduce considerably the number of deaths in custody.

David Howarth (Cambridge) (LD): May I bring the Secretary of State back to the issue of the titan prisons that he announced? Will he tell the House on what Lord Carter bases his conclusion that such gigantic prisons will be more effective than smaller, local prisons? That seems to go against the evidence that the inspectorate has gained over many years. On the face of it, Lord Carter appears to suggest very large, low-staffed, panopticon-style prisons of the sort that have brought the Californian prison system to its knees.

Mr. Straw: There is absolutely no comparison between anything that happens, or will happen, in the Prison Service in England and Wales and the appalling situation faced by the Californian prison system, where hundreds of prisoners are currently packed into gymnasiums. The Californian state now spends more on the prison service than on education. I can reassure the hon. Gentleman in that respect. Lord Carter bases his proposals on cost-effectiveness, and on his view on the effectiveness of such large prisons. As to whether the prisons will be local, yes, they can be. For example, there is an urgent need for more prison accommodation in London and the south-east, particularly to the east of the great conurbation. I see no reason why a local prison cannot be provided within a very large establishment, as with three smaller ones. Finally, it is perfectly possible within the perimeters of a large establishment to operate different regimes, so that one has the benefits of scale as well as the benefits of smaller prisons and better regimes.

Mr. David Burrowes (Enfield, Southgate) (Con): Despite the fact that the Minister of State, Ministry of Justice, the right hon. Member for Delyn (Mr. Hanson), offered supportive words to my hon. Friend the Member for Woking (Mr. Malins) about drug addiction in prisons, why did drug treatment and rehabilitation barely get a mention in Lord Carter's review or the Secretary of State's response last week? How will the Secretary of State ensure that prisons have a purpose other than warehousing addiction to drugs and a propensity to reoffend?

Mr. Straw: The purpose of prisons has improved dramatically, as has the reality in the past decade. We do not have warehousing of prisoners. That is an easy thing for the hon. Gentleman to say, but he should go back to the situation that existed 10, 20 or 30 years ago. He should look at the riots that took place in prisons and the continual inquiries that had to take place. He should take note, too, of the fact that there has been a 997 per cent. increase in drug treatment in prisons since 1996-97, with record numbers engaged in such treatment. If he supports that, fine, but he must recognise the great work that has taken place over the past 10 years.

Rob Marris (Wolverhampton, South-West) (Lab): If we cut reoffending we would not need to build so many prisons. May I echo the comments of the hon. Member for Macclesfield (Sir Nicholas Winterton) about prison education? Will my right hon. Friend assure me that per capita spending on education for young people in the secure estate will be, and will remain, at least at the level of per capita spending on secondary school pupils?

Mr. Straw: My hon. Friend asked me a very specific question, so I shall write to him. However, a great effort has been put into education in secure establishments for young people as well as in establishments for adults. Ultimately, the responsibility for cutting offending rests with criminals, but we can provide facilities and support, as we have done for young offenders and their families. However, offenders must make a decision—it is their responsibility, as it was their decision to get involved in crime—to get out of crime. We will help them, but they have to make that decision.

Data Protection

6. **Mr. Andrew Mackay** (Bracknell) (Con): What steps he is taking to prevent the unauthorised release of personal data by his Department. [172663]

The Minister of State, Ministry of Justice (Mr. Michael Wills): The Ministry of Justice has procedures and guidance governing security, information security and data protection, designed to identify and control the risk of the unauthorised release of personal data. They include ensuring that our sites are physically secure and protected from unauthorised access; ensuring that our employees are reliable through checks on their background; providing guidance to staff on general security, with separate guidance on IT security and data protection issues; and procedures for assessing IT systems. We also have systems for monitoring and checking compliance, and those policies and procedures extend to our contracted IT suppliers.

Of course, there can never be a cast-iron guarantee that human errors will not occur or that there will never be any unauthorised releases of information, so we must remain vigilant. Even before the deeply regrettable incident at Her Majesty's Revenue and Customs, the Prime Minister commissioned the Walport-Thomas review under the auspices of the Ministry of Justice into the way in which personal data are used and protected in the public and private sector. In addition, we previously announced that we would amend the Data Protection Act 1998 to increase the penalty for knowingly and recklessly misusing personal data, so that those found guilty of that offence could be imprisoned for up to two years.

Mr. Mackay: The Information Commissioner has said that he should have powers to carry out spot checks in Government Departments and other bodies to ensure that they comply with data protection legislation. Does the Minister agree with Richard Thomas?

Mr. Wills: Yes, we do. We are implementing that, and giving Richard Thomas the powers.

Mr. Brian Jenkins (Tamworth) (Lab): Will my hon. Friend give us an assurance on personal data and confirm that prisoners' medical records are securely contained but can be regularly accessed by GPs?

Mr. Wills: The data protection rules must apply to everybody but, where necessary and with proper protections, access will be given to the appropriate people.

Mr. Henry Bellingham (North-West Norfolk) (Con): Will the Minister of State confirm that C-NOMIS, the computer programme for the National Offender Management Service, is designed to track data on individual offenders from court into prison and thence when they are released back into the community? Is it true that Roger Hill, the Director of Probation, has announced that C-NOMIS is to be put on hold and scaled back for use in prisons alone, thus undermining its whole purpose? Is this not a case of £155 million down the drain, and yet another example of Government incompetence?

Mr. Wills: I congratulate the hon. Gentleman on his ingenuity in managing to ask that question during a question about data protection. The answer to his question is no, it is not true.

European Court of Human Rights

7. **John Robertson** (Glasgow, North-West) (Lab): How many cases brought by prisoners under human rights legislation went to the European Court of Human Rights in the last five years. [172664]

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): The Government are not routinely informed by the court of all applications containing complaints against the United Kingdom. Therefore, no statistics are held centrally on the number of applications against the UK made by prisoners in the past five years. However, since 1 January 2003 judgments or admissibility decisions in at least 41 ECHR cases in which the applicant was a prisoner have been communicated to the United Kingdom.

John Robertson: My hon. Friend will be aware of the ruling in the House of Lords at the end of October that the 12-month rule on applications under human rights law did not apply in Scotland. Thus, £70 million in compensation may be paid to prisoners. With the recent case of a prisoner who was denied IVF treatment getting a €5,000 award from the court through the convention, does my hon. Friend think that the convention is tipped the wrong way, and that it is time we started thinking of victims and put an end to this ludicrous state of affairs?[1]

Bridget Prentice: My hon. Friend refers to the judgment in Somerville and others *v.* Scottish Ministers. The Government are disappointed by the Grand Chamber's judgment and are studying it with great care. As he says, it has an effect on time scales for bringing actions, but clarifies the legal structure of the Scotland Act 1998. Careful consideration is required across Government here in Westminster and by Scottish Ministers.

On my hon. Friend's general point, allegations of breaches of convention rights are dealt with by the courts, which weigh the evidence and decide the outcome according to law. If, at the end of that legal process, the outcome is such that the Government believe that a change in the law is necessary, the appropriate legislative arrangements must be made.

Mr. Philip Hollobone (Kettering) (Con): There are 11,211 foreign national prisoners in prisons in England and Wales, making up 14 per cent. of the prison population. Is it the Human Rights Act that prevents those people from being returned to secure detention in their own countries? My understanding is that their consent is required before they are returned to their country of origin. Most people in this country would like to see them sent back, even if they did not consent.

Bridget Prentice: The hon. Gentleman needs to be brought up to date with some of the facts and figures. The Government have managed to get 100 agreements with other countries in order to have foreign national prisoners returned. The 14 per cent. that the hon. Gentleman mentions is the second lowest percentage in the whole of western Europe. If he really wants to find where problems lie, he needs to look elsewhere.

Anne Moffat (East Lothian) (Lab): In these cases, has there been any dialogue about the barbaric practice of handcuffing women to beds when they are in labour and giving birth?

Bridget Prentice: My hon. Friend refers to a disgraceful practice during the last Conservative Administration. I can assure her that this Government will make sure that such practices do not occur under our watch, or ever again.

Miss Anne McIntosh (Vale of York) (Con): Can the hon. Lady advise the House of the position under the human rights legislation of a householder or a property owner who defends their property, family or possessions from a burglary and is subsequently accused of assault? Can they be given the full protection of the law?

Bridget Prentice: I know that the hon. Lady takes a considerable interest in this matter, and I believe that she introduced a private Member's Bill on the subject some time ago. I understand her concerns, and she is quite right that such a person is entitled to full protection under the law, and would get it.

Prison Service (Lancashire)

8. **Mr. Lindsay Hoyle** (Chorley) (Lab): What assessment he has made of trends in levels of recruitment into the Prison Service in Lancashire; and if he will make a statement. [172665]

The Minister of State, Ministry of Justice (Mr. David Hanson): Since 2000, the average recruitment of prison officers in the north-west, including Lancashire prisons, has been 200 a year. Taking account of turnover and the provision of increased capacity, the Prison Service expects to recruit 340 new officers in the north-west by March 2009, and a new national recruitment campaign will be launched in January 2008.

Mr. Hoyle: As my right hon. Friend is aware, retention is a key issue, and the way to achieve that is through morale within the Prison Service. He may or may not be aware—I have mentioned it once before—of morale at Wymott. What can he do to ensure that morale is lifted and that the Prison Officers Association and the governor get on better working terms, so that retention is key to the prison's future?

Mr. Hanson: As I said in last week's debate, I shall be happy to receive any representations that my hon. Friend wishes to make so that I and the management team can address specific issues. The resignation rate among officers in Lancashire this year is just 1.3 per cent. against the national figure of 2 per cent. I shall certainly consider the issues that he raises, but there is strong stability in the Prison Service staff in Lancashire at the moment.

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[1] *[Official Report, 18 December 2007, Vol. 469, c. 1MC.]*

Youth Reoffending

9. **Andrew Gwynne** (Denton and Reddish) (Lab): What steps he is taking to prevent young people from reoffending. [172667]

The Minister of State, Ministry of Justice (Mr. David Hanson): Between 2000 and 2005, youth reoffending reduced by 2.5 per cent. The Youth Justice Board has worked with partners to improve practice to ensure that the right performance frameworks and indicators are in place, and to put in place a delivery plan to reduce reoffending still further.

Andrew Gwynne: Given what my right hon. Friend says and the real achievements of the youth offending team, the Prison Service and probation officers in Tameside and Stockport, what more can the Government do to ensure that once young people have served their punishment, they receive the support, help and intervention necessary to keep them on the straight and narrow, particularly in relation to housing and access to the employment market?

Mr. Hanson: My hon. Friend raises important points. We need to ensure that we reduce reoffending among under-18s in custody, which stands at approximately 76 per cent. We need to consider what help we can give with accommodation, and pilot projects are operational. We also need to ensure that we invest in skill development and learning, which is why I welcome the Prime Minister's establishment of the joint unit between the Department for Children, Schools and Families and my Department to work together to manage the Youth Justice Board so that we can consider education and skill development, which are key to the prevention of further reoffending.

Mr. Peter Bone (Wellingborough) (Con): Does the Minister agree that one way to stop young people from reoffending is to have fairness in the justice system? My constituent, Mr. Shalish Patel has been charged with a serious offence and is correctly remanded in prison, but in Birmingham, not at the local remand prisons of Bedford or Woodhill, and his family is particularly concerned—

Mr. Speaker: Order. The person concerned has been charged, so the matter is sub judice and it would be best to move on.

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): I welcome the drop in youth offending rates, but what is being done to spread examples of best practice in different parts of the country to ensure that we have a unified approach so that levels can drop still further?

Mr. Hanson: The Under-Secretary of State for Innovation, Universities and Skills, my hon. Friend the Member for Tottenham (Mr. Lammy), and I are looking carefully, through the inter-ministerial group on the prevention of reoffending, at what works, and with the Minister for Children, Young People and Families, my right hon. Friend the Member for Stretford and Urmston (Beverley Hughes), through the joint management of the Youth Justice Board, we are considering good practice. The YOTs do a tremendous job. I have seen examples at first hand throughout the country of where they have made real interventions in reducing crime, and I am sure that that is true in Portsmouth, where my hon. Friend has taken a great interest in preventing youth crime. I shall certainly be considering whatever good examples hon. Members can produce with a view to putting them into practice throughout the country.

Dr. Brian Iddon (Bolton, South-East) (Lab): One of the difficulties of preparing people in prison for life outside is the constant movement of prisoners, which prevents them from completing education and drug treatment courses. Is the situation any better for young offenders than it is for the rest of prison population?

Mr. Hanson: We need to do better on the whole question of drug use and drug treatment for young people. As the hon. Member for Woking (Mr. Malins) said, one of the key drivers of youth crime is involvement with drugs, both before entry to prison or youth offending institutions and sometimes, sadly, afterwards. We need to do intensive work on the issue, and I am keen to see how we can build on that. At the moment we are examining drugs policy in young offender institutions.

Donations (Political Parties)

10. **Bob Spink** (Castle Point) (Con): What recent representations he has received on compliance with the law on donations to political parties. [172668]

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): As far as I am aware, my right hon. Friend the Secretary of State for Justice and Lord Chancellor has received no representations on compliance with the law on donations in his capacity as Secretary of State for Justice.

Bob Spink: The Minister is a wise lady. Why does she not accept that the law must be upheld even when those breaking it claim ignorance and say that there was no intentional wrongdoing? When will she treat union donors on a par with other donors and get on with the cross-party talks?

Bridget Prentice: We have already been over that ground in some detail, both last week and earlier today. We certainly believe that the law must be upheld. I assure the hon. Gentleman that my right hon. Friend the Lord Chancellor has already set in train arrangements to meet the other political parties so that cross-party talks can begin again. I hope that the Conservative party will take a more positive attitude than it has during the past couple of months.

Topical Questions

T1. [172647] **Mr. Philip Dunne** (Ludlow) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): My principal responsibilities are to help protect victims and the public, to help secure a reduction in offending and reoffending better to support the delivery of justice, to promote a vigorous democracy and to create a culture of rights and responsibilities.

Mr. Dunne: Can the Secretary of State confirm reports that half those who received indeterminate sentences of imprisonment for public protection in 2005 for sexual assault or paedophile offences received a tariff of two years or less? Will he also confirm that under his proposed reform those dangerous offenders would no longer be eligible for an IPP and would be released, regardless of the risks that they posed?

Mr. Straw: As my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett), Home Secretary at the time, has confirmed and as I have noted from *Hansard* reports of debates in Committee, the House and the other place, when the proposals for indeterminate sentences of imprisonment for public protection went before the House, there was never any suggestion that the IPPs would be used for very short sentences. When the amendments to the Criminal Justice and Immigration Bill are discussed, we will be able to debate the detail of the issue. I am determined that IPPs should remain available for serious, persistent and dangerous offenders.

I should also say that it is very rare for courts to sentence such offenders for tariffs of less than two years. It must be a matter of concern to Members on both sides of the House, as it is to sentencers and the Parole Board, that inadequacy in the drafting of the legislation has meant that in one case a tariff of 28 days was issued. That is unsatisfactory in terms of public protection. In many other cases, there have been very short tariffs as well.

T2. [172648] **Mr. Christopher Fraser** (South-West Norfolk) (Con): Since June, more than 160 offenders, including those convicted for sexual and violent crimes, have been released early from prisons in Norfolk. Why are the Government letting prison capacity rather than the crime dictate the length of sentences?

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): We discussed that issue last Wednesday during the debate on the Carter report. The truth is that all parties have always accepted, albeit implicitly, that prison capacity determines to a degree the overall level of sentences. That is why even the Conservative party, in rather atavistic mood, has eschewed the idea of the Americans, who now sentence people to five times the level of imprisonment in this country.

We are seeking a more rational approach—and I thought that we had the support of the hon. Gentleman's Front Bench—so that when proposals for changes in sentencing are made in advance, the effect on prison capacity and resources can be properly taken into account. The House and the Government can then make a good judgment about whether to provide the capacity. I should also say that we have already increased the prison population twice as fast as the Government whom the hon. Gentleman supported. An extra 20,000 places will be provided in the period to 2014.

T3. [172649] **Mr. David Kidney** (Stafford) (Lab): Has this splendidly attentive team of Ministers spotted the petition placed on the No. 10 website by my constituent, Richard Ellison, protesting that he and other magistrates must retire from service at the age of 70, irrespective of their capability in continuing to serve their constituents? Do my right hon. and hon. Friends on the Front Bench agree that in this day and age, with an EU directive on age discrimination, UK regulations on age discrimination, and the demographic changes that have taken place, it is outdated to rely on an age bar alone?

Mr. David Winnick (Walsall, North) (Lab): Absolutely.

Mr. Kidney: We should rely on appraisals instead.

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): The answer to the first part of my hon. Friend's question is, yes, we have spotted the petition that his constituent has placed on the No. 10 website. He is right that the recent age regulations could be applied to judicial office-holders, including magistrates. We have no plans at present to raise the retirement age, despite the protestations of some of the more venerable Members behind me, but we obviously keep the matter under review.

T4. [172650] **Mr. David Heathcoat-Amory** (Wells) (Con): Is the Department aware of any prisoners who have been released early in the west country and who have offended again? If the Department or the Prison Service has released any such dangerous prisoners early, what steps are being taken to alert the local police to that possible eventuality?

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): The local police are routinely informed of releases of prisoners, including those released under the end of custody licence scheme. I will write to the right hon. Gentleman with details of those who have been released in his own area of the west country. The end of custody licence scheme simply releases prisoners 18 days earlier than they would otherwise have been released, and they remain on licence during that period. Quite a number have been recalled because of the strength and efficacy of our recall arrangements.

T6. [172652] **David Taylor** (North-West Leicestershire) (Lab/Co-op): A couple of weeks ago, a report by Mind entitled "Another assault" revealed that people with mental health problems suffer shockingly high levels of crime and victimisation but are reluctant to report incidents, not least because when they do, in an overwhelming number of cases, they receive a poor service from the criminal justice system. What is being done to increase confidence in the criminal justice system on the part of those who have mental ill-health problems?

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): My hon. Friend is right that there are certain vulnerable groups who find it hard to deal with the criminal justice system when they come into contact with it. He will be aware that we have taken a lot of steps in the past few years to try to support victims of crime and to ensure that we can take them through the criminal justice system in a much more supportive environment than has necessarily been the case in the past. Certainly, victims of crime who have mental ill health would benefit from the work that is being done, but I would be the first to admit that we need to continue to work hard and do more to ensure that victims of crime who are vulnerable for whatever reason, including those who have mental ill health, are properly supported through the system, and we are determined to do that.

Nick Herbert (Arundel and South Downs) (Con): In June, Andrew Mournian was jailed for 20 weeks for battery after attacking his partner, Amanda Murphy.

He had previous convictions for violence and assault. On 18 August, having been released from jail, Mr. Mournian again attacked Mrs. Murphy, but this time he brutally murdered her. He was convicted last week. It now transpires that Mr. Mournian had been released early from prison under the Government's end of custody licence scheme, and he killed Mrs. Murphy five days later, when he should have been behind bars. What does the Secretary of State have to say to Mrs. Murphy's relatives about the Government's decision to release such offenders early?

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): This was a shameful murder, and as with any murder, our heart goes out to the relatives and friends of the victim. But I hope, since the hon. Gentleman wishes to make something of this terrible incident, that he will take note of what the learned judge—a senior High Court judge, Mrs. Justice Swift—said in her sentencing remarks. When sentencing Mournian to life imprisonment and ordering that he serve a minimum tariff of 14 years, she said that she did not believe that the defendant's early release had led to Miss Murphy's death. She went on to say that the defendant would have carried out the attack whenever he was released.

It is a huge matter of regret that this happened at all, but it is extremely difficult, given what the learned judge who heard the details of the case said—and neither the hon. Gentleman nor I have done so—to say that his early release was a contributory factor to this murder.

Nick Herbert: The Secretary of State just told the House that one of his principal duties was to ensure public safety. It will be of no consolation at all to the relatives of Mrs. Murphy to be told by anybody that she might have been murdered at some future point. The fact is that her murderer should have been behind bars at that point. He was not because the Government had failed to provide enough prison places and had released that offender on to the streets, along with, it must be said, 11,000 other offenders, including violent offenders released early—before the end of their sentence and without risk assessment. Lord Carter's report last week said that end of custody licence—

Mr. Speaker: Order. I am always reluctant to stop a Front Bencher, but topical questions are meant to be sharp and brief. If a Front Bencher is going to come in during topical questions, there cannot be long supplementaries. A Front Bencher is the same as everybody else; it is one supplementary, and the hon. Gentleman has gone on to another matter.

Mr. Straw: On the substantive point, I have already answered the hon. Gentleman. We regret the fact that the early custody licence was necessary. On the whole, it has worked to ensure the safety of the public. Of the 11,000 offenders released on to ECL, we have been notified of only 1 per cent. having committed a further offence. That is a much lower rate of reoffending than is found among prisoners normally released.

The second thing that the hon. Gentleman has to appreciate is that these are offenders, whatever crimes they have committed, who would have been released 18 days—two and a half weeks—later. *[Interruption.]* It is not an excuse. Whatever points he wants to make, he has to take account of the remarks made by the learned judge in this case. She was convinced that this man would have carried out the attack whenever he was released.

T5. [172651] **Mr. Andrew Mackay** (Bracknell) (Con): The Justice Secretary will be aware that more than 2,000 of the 11,000 prisoners released early were serving time for violent offences. Should he not be reviewing the criteria so that absolutely no violent offenders at least are released early from prison?

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): If I may say so, the right hon. Gentleman makes an important point. We keep the criteria under continuous review. At the moment, we judge that there are sufficient places. We shall certainly, as a first step, remove any offenders of violence from the list, and my aim is to abandon ECL altogether, once we see that there is space to abandon it safely.

T7. [172653] **Mr. Jim Cunningham** (Coventry, South) (Lab): May I ask my right hon. Friend what the reoffending rates were for Coventry and the west midlands in 1997?

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): Off the top of my head—*[Laughter.]* I keep many figures in my head, but I am afraid to say that the reoffending rates for Coventry and the west midlands are not among them. However, I can tell my hon. Friend that reconviction rates have improved considerably and for prisoners serving over four years—*[Interruption.]* I do not know what the difference between reconviction and reoffending is according to the hon. Member for Enfield, Southgate (Mr. Burrowes), unless he has a way by which people can be convicted without going to court. The reconviction rate has shown a 13.4 per cent. improvement for those serving sentences of four years or more.

T8. [172654] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): Does not the Minister realise that there is real concern nationally about the early release scheme? He has confirmed that more than 25,000 offenders will be released every year under this scheme. How many more people are going to be subject to brutal murder or attack unless he acts on this matter?

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I have answered the burden of the hon. Gentleman's question. We are talking about a release 18 days before those offenders would have been released in any case. My constituents may be different from his, but ours are a good cross-section of the British people. My constituents are pleased about the fact that crime has gone down by 30 per cent. in the past 10 years, which includes violent crime, while burglary has gone down by 50 per cent. That compares with the terrible record of the Administration whom the hon. Gentleman supported, under whom crime did not go down, even by 1 per cent., but doubled over 18 years.

T9. [172655] **Chris McCafferty** (Calder Valley) (Lab): Given that the Solicitor-General has said that rape is an incredibly difficult crime to prosecute, how will my right hon. Friend ensure that all parts of the criminal justice system work together to support victims and secure better rates of conviction?

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): We are working hard better to improve convictions for rape. The number of offenders who have been convicted of rape has increased significantly. The proportion of those who are brought to court has gone down, however, because of the even bigger increase in the numbers being prosecuted. We are currently running a consultation on "Convicting Rapists", which was published in the spring, which is looking at all sorts of detail in the process, including whether to allow adult victims of rape to give video-recorded evidence at trial, whether to define in law a rape complainant's capacity to give consent to sex where drink or drugs are involved and many other matters, because we are all of the same view: we have to improve the conviction rate for this terrible crime.

T10. [172656] **Mr. Paul Burstow** (Sutton and Cheam) (LD): According to the Government's own research, 40 older people in this country are the victims of elder abuse every hour of every day, whether that be theft or violence against the person in their own home. When will the Government act on the recommendations that the Law Commission made more than 10 years ago and put in place the necessary protections for such vulnerable adults in our society?

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): The Minister of State, my hon. Friend the Member for North Swindon (Mr. Wills), is working closely on that, better to ensure that the reports and recommendations of the Law Commission, where they enjoy a consensus throughout the Chamber and in the other place, can be more swiftly enacted than in the past. Since the Law Commission was established in the 1960s, it has done important work, but there is no question but that we need to do better at implementing its recommendations.

Children's Plan

3.32 pm

The Secretary of State for Children, Schools and Families (Ed Balls): The first ever children's plan, which we are publishing today, follows months of consultation with parents, teachers, professionals and children and young people up and down the country.

Over the past 10 years, the lives of children have improved. School standards are up, child poverty is down, and we have many more outstanding schools and many fewer failing schools. However, following our detailed consultations, the results of which I have laid before the House, I have concluded that we need further reforms to deliver a world-class education for every child and that we must do more to prevent children from falling behind or failing to fulfil their potential because of learning difficulties, poverty or disadvantage. I have also concluded that, although there are many more opportunities for young people today than ever before, families want more help to manage the new pressures that they face: balancing work and family life; dealing with the internet and modern commercialism; and letting children play while staying safe. The children's plan is our response.

Let me deal first with the new measures to support the learning of every child. The early years are critical; so as we raise the entitlement to free nursery care for all three and four-year-olds from 12 to 15 hours, we will allocate more than £200 million over the next three years, to ensure that young children receive the highest quality care in their early years, with at least two graduates in nurseries in the most disadvantaged areas, and to extend the offer of free nursery places to 20,000 two-year-olds in the most disadvantaged communities.

School standards are rising, but I want to accelerate the improvement. I have therefore asked Sir Jim Rose to undertake a root and branch review of the primary curriculum to create more space for teaching the basics—English and maths, and a foreign language—in all primary schools, and also to ensure all children start secondary school with the personal skills to succeed. If our making good progress trials are successful, we will implement age not stage testing nationally, which will represent the biggest reform to national curriculum assessment since its creation. To back our teachers, I am today allocating £44 million over the next three years so that all new teachers will be able to study for a masters-level qualification and to establish a new future leaders programme to bring even more talented people into teaching.

Supporting parents is central to this children's plan. In future, every parent will have a record of their child's development and education through the early years and into primary school. The Minister for Schools and Learners will consult parents and schools over the next few months—and legislate, if necessary—to ensure that every child has a personal tutor who stays with them as they progress through secondary school; that every parent receives up-to-date information about their child's progress, attendance and behaviour, using real-time reporting and new technologies such as mobile phones or the internet; and that every secondary school has a parents' council, so that parents know what they can expect, how they will be consulted and how they can express concerns and complaints.

Parents also want earlier intervention if their child falls behind. Alongside one-to-one support for reading and maths at primary school and our new every child a writer programme, I am allocating £18 million over the next three years to improve initial teacher training about special educational needs and to find new ways to identify dyslexia earlier. Following the Bercow review, Ofsted will lead a review into our special educational needs provision in 2009.

In our consultation, head teachers told us that schools needed more support from other services to tackle all barriers to learning. Today, one in 10 children have a diagnosed mental health problem, but schools repeatedly say how hard it is to get the child and adolescent mental health services—CAMHS—to engage with them early enough. So I have agreed with my right hon. Friend the Secretary of State for Health that we will launch a review of CAMHS, to investigate how it can work better with schools and to identify where early support is most needed. Our two Departments will also produce the first ever child health strategy in the spring.

We will also enhance inspection across schools and children's services, and examine whether children's trust arrangements need to be strengthened, including through further legislation if necessary. To improve services for parents further, and to enable better early intervention, we will publish new guidance for the building schools for the future programme, to ensure that where possible schools are designed to be co-located with other services—health, police, social care, advice and welfare services. Furthermore, because schools must be sustainable for our children, and their children, we will set a new ambition that all new schools be zero carbon by 2016.

With the reforms that I have already announced to the House to tackle failing and coasting schools, to expand the academies and trusts programme, to raise the education leaving age to 18 and to introduce new diplomas, this children's plan will set us on course to deliver ambitious long-term goals for a world-class education for every child.

Discipline in schools is essential for raising standards. We have given teachers new powers to tackle bad behaviour, and 97 per cent. of schools are now in behaviour partnerships, co-ordinating behaviour and exclusions policy, which Sir Alan Steer recommended should include all schools by 2008. I am minded to implement that recommendation in 2008, and I am asking Sir Alan to assess progress on all his proposals and to make recommendations in the spring.

We will also strengthen the regulation of pupil referral units, improve the quality of provision and pilot a range of alternatives; that could be one role for studio schools. To break cycles of reoffending among young people, the Home Secretary and I are together allocating £66 million over the next three years to target support at the young people most at risk of getting into crime. As we prepare our youth crime action plan, we will reform the education and resettlement of young offenders and pilot the use of restorative justice from April 2008.

Our consultation reports that, while parents are clear that it is their job to bring up their families, they want more information and support to help them keep their children safe and healthy. Our children's plan includes the provision of £167 million over the next three years to fund two new expert parenting advisers in every

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local authority area, expand family learning, support young carers and deliver new support for families with disabled children.

Dr. Tanya Byron is investigating the potential risks to children from harmful or inappropriate material on the internet and in video games, and will report next March. We will make proposals on young people and alcohol in the spring and investigate how the huge increase in commercial activity, advertising and marketing aimed specifically at children and young people is affecting their well-being.

I have two further announcements. In our consultation, children and young people told us that they wanted more places to play, interesting things to do outside school and recognition for their achievements. Earlier this year, my right hon. Friend the Minister for Children, Young People and Families set out our 10-year strategy for young people, with an ambition to have new youth facilities and places for young people to go to in every constituency of the country. It will be funded by proceeds from unclaimed assets and new investment from my Department.

I want us to start to transform youth services now, so, before the unclaimed assets legislation takes effect we will invest an additional £160 million over the next two years to develop high-quality youth facilities for young people, shaped by young people. That could mean 50 new state-of-the-art youth centres, 500 refurbished youth centres or more than 2,000 smaller centres, including mobile units. The funding will be available for every part of the country, and that will start in April. I urge all hon. Members to start working with young people, the voluntary sector and their local community to draw up local plans and prepare to bid for that money.

Finally, to help parents to keep their children safe while playing outside, I can also announce that we will launch a new national play strategy early next year. To make that a reality, from next April we will build 30 safe and supervised adventure play parks in disadvantaged areas. With a total investment of £225 million over the next three years we will also be able to build or upgrade more than 3,500 play areas across the country. There will be an average of 23 per local authority area and seven per constituency. That will be the largest Government investment in children's play in our history.

With schools, children's services, the voluntary sector and Government all playing their part and meeting their responsibilities, and with the £1 billion over the next three years we are allocating today to meet our children's plan commitments, we can unlock the talents and promote the health and happiness of all children, and not just some; back parents as they meet their responsibilities to bring up their children; and intervene early so that no child or young person is left to fall behind. We will make our country the best place in the world for children to grow up. That is the mission of this Government and the children's plan, which I commend to the House.

Michael Gove (Surrey Heath) (Con): May I first welcome those aspects of the children's plan that provide focused help for the most vulnerable in our society? We support the extension of a child care entitlement to the parents of two-year-old children in the most disadvantaged circumstances. I also commend the Secretary of State for his work on special needs and his plans to improve the provision of respite care for the families of children who are living with disabilities—a cause that is close to his heart, which he has consistently championed. It does him credit.

The Secretary of State is right that our children face a world that is full of greater opportunities and greater risks than ever before. However, the background to the children's plan, sadly, is a world in which our children are falling behind those of other nations. Last week, we discovered that we have fallen from fourth to 14th in the international league tables for science, from seventh to 17th for reading, and from eighth to 24th for maths. How does the Secretary of State explain why we were in the top 10 for all those subjects when the children sitting the tests had the majority of their education under a Conservative Government, whereas we plummeted down the rankings, relegated to the second division, when those sitting the tests had all their education under a Labour Government? Is not every external audit of our education system a story of Labour failure? Is not it time to acknowledge the limitations of the top-down micro-management and political interference of the old Labour approach and embrace genuine reform?

Today, the Secretary of State announces a review of the primary curriculum to clear away the clutter. It sounds attractive. However, at the same time, the Department is pressing ahead with a pre-primary school curriculum, with 576 different targets for professionals, which prescribes exactly how toddlers should

> "rub a rusk around the tray of a feeding chair… show delight by kicking and waving… use gloop",

which is helpfully defined as,

> "(cornflower and water in small trays) so babies can enjoy putting fingers into it and then lifting them out".

How can the Secretary of State credibly say that he is clearing away the clutter and empowering professionals when he is sticking his fingers into everything and generating gloop on an industrial scale?

The Secretary of State says that he wants parents to be more involved in their children's education. Does not he realise that that involves trusting, not lecturing parents? Only last week, Ministers blamed parents for our slide in the literacy league tables. Parents should read more to their children, the Department dictated. However, did not the report that showed us falling behind contain no survey of how often English parents read to their children? Ministers criticised mums and dads on the basis of no hard evidence. When it comes to delivering on reading, do not Ministers bear the primary responsibility for ensuring that every child who can is reading by the age of six? Should not we ensure a more concerted drive to hold accountable those schools that do not use tried and tested methods by holding a simple test after two years to ensure that our children are being taught properly?

The Secretary of State accepts that there are flaws in the current test regime, but will his plans for a changed regime, with children taking tests at several different stages in primary school, mean that new tests are shorter than the current key stage 2 tests? If so, how can we ensure that they are not made less rigorous? With independent research from Durham university showing that literacy levels have scarcely improved in a decade, surely we cannot afford any less rigour.

I fear that today will be remembered as a great missed opportunity for the Government. Instead of a clear picture for our children's future, we have an underwhelming collage, with items stuck on any old how and no underlying vision. Why are there no proposals to give parents the right to take their children from a failing school and place them in a good new school? Why is there no determination to give teachers the power to impose effective discipline by excluding disruptive pupils without having teachers second-guessed by those outside the school? Why, instead of giving more schools academy-style freedoms to innovate and drive up standards, is the Secretary of State still restricting the freedoms of existing academies?

Is not it the case that, ultimately, instead of a broad and deep vision, we have a disappointingly hesitant and patchy programme, which betrays an itch to intervene but no grasp of the genuine problems? Is not it clear that, unless we learn from abroad and reform our education system to meet the challenge of global competition, we will fall further behind and the Government will fail future generations?

Ed Balls: I was disappointed that the hon. Gentleman was not as funny as normal. However, to be fair to him, behind the usual scripted gags and froth, there were some serious questions, which I shall tackle. I thank him for his support for the Bercow review and our work to strengthen the provision of SEN support for parents and children. I agree that that is a priority.

I disagree with the hon. Gentleman's reading of the Progress in International Reading Literacy Study—PIRLS—report, which made it clear that there was a responsibility on Government, teachers and parents to ensure that all our children are reading. If he reads the report, he will realise that it is clear that the brightest children are reading less at home. We all—that includes us, as parents—bear a responsibility for getting our children to read more.

The hon. Gentleman suggested that we are plummeting down league tables and that standards are falling. I remind him that, in 1997, when the Conservatives left power, 63 per cent. of 11-year-olds achieved the key level in English and that that has now increased to 80 per cent. The figure for maths was 62 per cent. and it is now up to 77 per cent. For English and maths, the figure was 53 per cent. and it is now up to 71 per cent. The number of failing schools has fallen from above 600 to fewer than 30. This Government have delivered rising standards year on year through our reforms—reforms that we take forward and strengthen in this report, so that we can be world class.

The hon. Gentleman asked me about our new making progress assessment. Yes, the tests will be shorter; and no, despite his accusations, there will not be dumbing down, because we are introducing the reform of an independent standards regulator to give parents, teachers and schools the confidence that standards will not fall. As for his charge that we are going backwards on reform and academies, I am accelerating the academies programme, as I say to him every time he makes that accusation. The reform of the primary curriculum in this report is a good reform that will drive up standards in our schools.

I must say to the hon. Gentleman that this is a children's plan. He mentioned SEN, but he made no reference at all to children's play, youth services, investing in the early years work force, parent support advisers, our CAMHS review, our changing of the guidance for the building schools for the future programme, the children's trust, reoffending, prevention or the Byron review. He made no mention of any of those things, which was baffling. I remember, however, him writing a very important article in *The Times*, in which he said that

> "the Conservatives are left embarrassingly mute when parents ask them just what they would do to ease the pressures of family life."

Those were his words, and he has eloquently proved his point this afternoon.

I have received representations for other reforms. I have had a representation that we should re-impose tests, externally marked, on six-year-olds. I reject that proposal, as do parents and schools, as it would be the wrong thing to do. I have also received a representation that we should hold back for a further year children who do not make the grade in primary schools, but that was rejected in our consultation by teachers, head teachers and parents, because we do not want larger class sizes at 11. We do not want those children who do not make the grade to be held back in primary school; we want them to be helped as they move into secondary school.

I have also received representations that we should abolish appeals on exclusions as that would somehow reduce legalism, but the head teachers tell us that they want to keep the appeals as that would prevent them from being mired in the courts. I have also received representations that we should not go ahead with increasing the education leaving age to 18; I reject those representations. I have had a proposal that we should not introduce new diplomas; I reject that representation. I have also had a proposal that we should cut £4.5 billion from the building schools for the future programme, and therefore put thousands of schools at risk in 76 authorities. Once again, in my consultation on the children's plan, I reject that representation.

In the end, Government are about three things: vision, policy and judgment. We set out our vision here; I reject the vision of a two-tier education system. I am setting out clear policies here; I reject those wheezes that fall apart under scrutiny. As for judgment, in my view, over the past six months the judgment of the hon. Member for Surrey Heath (Michael Gove) has increasingly come into question.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree—or does he know—that the Children, Schools and Families Committee is investigating testing and assessment, and we will be keen to look in detail at his proposals for stage not age tests? Is he also aware that our Committee, as it did in its former incarnation, has consistently pushed for us to do something about the quality of the work force in early years, in terms of both how much they are paid and how they are trained? Much of what my right hon. Friend says today is welcome, but will he give a guarantee not only that the Select Committee will be able to track the progress of the building of the new edifice of a children's plan, but that a monitoring of staged successes is built into it?

Ed Balls: I reassure my hon. Friend, and I thank him for his leadership of the Select Committee. I look forward to appearing before it in early January to answer detailed questions on the children's plan. I can confirm that we will report back on the children's plan in a year's time. In the meantime, our three expert groups will continue their work of monitoring our implementation. We will also involve parents in monitoring our progress.

The issues my hon. Friend raises on the work force are critical. The document sets out a strategy for the children's work force and, within that, important reforms of the early years work force to increase their standing and enhance even further their professionalism so that it matches their dedication. We want more graduates coming into early years education and these proposals will take that ambition forward.

Mr. David Laws (Yeovil) (LD): I thank the Secretary of State for early sight of his statement.

I know that it is traditional on these occasions for Opposition spokesmen to be disappointed by the contents of statements, whatever they contain, but may I genuinely say that many people inside and outside the House will be tremendously disappointed with the plan that he has put forward? After all, if we set it alongside the conclusions of the UNICEF report published earlier this year, which put Britain bottom of the league table of 21 developed countries in respect of child poverty and child well-being, today's plan emerges as a mouse of a plan to deal with what is, frankly, a mountain of a problem. Even where new policies have been announced, they are tiny in their effect: 20,000 places for two-year-olds set against 650,000 youngsters in that cohort. What we have heard today is not, by anybody's independent judgment, a serious 10-year plan for children, but a hotch-potch of reviews, recycled announcements from earlier Secretaries of State, one or two gimmicks and a unifying theme that is a belief only in top-down big government solutions.

Why was there no mention in the statement of what is supposed to be the biggest ambition of the entire Government—dealing with child poverty? Is it not absolutely astonishing for a Secretary of State for Children, Schools and Families to give a statement to this House in which the only mention of child poverty is backward-looking, describing what has happened up to today with nothing at all about policy for the future? Does not that indicate that Martin Narey of Barnardo's was correct to say yesterday that the Government now seem to be managing the failure to meet the 2010 target? Does it not also underline this Government's foolishness in deciding in the pre-Budget report to allocate £3.7 billion towards the reduction of inheritance tax, set alongside the £120 million—an almost trivial amount—found for child poverty? Why has the Secretary of State with responsibility for children failed to mention anything forward looking about what used to be one of this Government's great ambitions? Why do we continue to find that 1.5 million children—almost of half of whom are living in relative poverty—live in households that pay full council tax when the Government have been reviewing and reviewing that unfair tax for years and doing precisely nothing about it?

On the schools agenda, why on earth do we need yet another primary curriculum review? I thought that primary education was supposed to be something that the Government had fixed in their first term in office. We now find that apparently it has not been fixed and that we need another review. What is the review designed to achieve? According to the Secretary of State, it is to allow more time for literacy and numeracy studies, but we already know that 51 per cent. of time in primary schools is spent on those two subjects. Rather than have another pointless review of primary education, why does not the Secretary of State just devolve powers to schools to make those decisions? Is it really necessary for the Whitehall screwdriver to reach into every school in the country, directing schools on how to communicate with parents and even fixing the number of graduates in early years settings? How on earth can it be right for central Government to fix those policies? Why is there nothing in the statement to target extra money on pupils through a pupil premium that would target deprivation? Why is there nothing about more freedom for schools to innovate?

On the children's services agenda, will the Secretary of State tell us whether his desire to tie in children's services more closely with schools is going to mean a relocation of responsibility for those services—from primary care trusts and social services, which are not usually very good at interacting with schools, to the schools themselves?

This was supposed to be one of the centrepieces of the Government and their aspirations, yet it has given us an indication of why they are so far adrift, because we have had a 10-year plan for the future of children that is entirely top down, entirely unconvincing and that will not deliver the aspirations that the Government have themselves set.

Ed Balls: I believe that when parents, teachers and young people hear what the hon. Gentleman has said, they will find the idea that a £400 million investment in 3,500 play areas and youth clubs around the country is a gimmick very surprising. I think the suggestion that transformation of the life chances of 20,000 children aged two in disadvantaged areas is trivial says more about the hon. Gentleman's values than it does about our policy. As for the idea that a curriculum review designed to introduce study of a foreign language for every child in primary school, as well as social and emotional aspects of learning—SEAL—teaching through the primary curriculum, is pointless, that too is a reflection on the hon. Gentleman's politics rather than on our children's plan.

The hon. Gentleman mentioned the child poverty goal. I made a speech about child poverty yesterday. I will not take the time to read it out to the hon. Gentleman today, but the children's plan makes very clear our goal that child poverty will be halved by 2010 and eradicated by 2020. I will tell the hon. Gentleman how we will do that. We will do it through the national minimum wage that his party opposed, and through the expansion of the tax credit system which he personally has persistently opposed. I will take no lectures from him on the subject of child poverty, given the way in which he has attempted to undermine a consensus in the country about progress in that regard.

As for the idea that we say nothing in the plan about freedom to innovate, the plan is all about schools' innovating and working with children's services to tackle all the barriers to learning. As for the idea that we say nothing about tie-in, we say that children's trusts will [illegible] forward that agenda with help at the centre of them. As for the idea that we say nothing about extra money to deal with disadvantage, in his announcement on schools funding a few weeks ago my hon. Friend the Minister for Schools and Learning allocated more money to tackling deprivation, and we are doing the same today.

The hon. Gentleman's comments told me more about his political positioning in the Liberal Democratic party than it did about the children's plan. He may wish to reconsider some of those comments in the coming months.

Frank Dobson (Holborn and St. Pancras) (Lab): Parents and children all over the country will welcome the new emphasis that my right hon. Friend is placing on the importance of children's play. Play is important to children's social development, and to their mental and physical health. What we need now is a further commitment to helping parents to feel secure when their children are out playing. Does my right hon. Friend accept that if we are to achieve that, he will have to work with other Departments to ensure that local, regional and national planners always bear in mind the need for somewhere for children to play safely, and for transport planners to remember that the principal cause of death among child pedestrians is being run over in the road? We need that emphasis too, and I hope that my right hon. Friend will achieve it.

Ed Balls: I thank my right hon. Friend, and praise him for the leadership that he has provided in this regard. It was his 2004 review "Getting Serious About Play" that paved the way for today's announcements.

My right hon. Friend is absolutely right to stress the importance of provision for children's play, and that of the creation of spaces in which children can play safely. In our report and in response to the views expressed to us by parents, we have encouraged local authorities to go further in introducing 20 mph speed limits in areas where children play. We have also encouraged them to think about the way in which they design housing, not just to tackle overcrowding but to ensure that there are proper places in which children can play.

In my view we need children to be seen and heard, and we need to move away from the old-style "no ball games" culture to a world in which there are spaces for them to play. We are funding that today, but it will require leadership at local level. It will also require leadership from Members of Parliament in building coalitions in every constituency to implement the plan's proposals.

Mr. Kenneth Clarke (Rushcliffe) (Con): Does the Secretary of State agree that ever since the reforms that introduced the principle of testing particular age groups to national standards and then reporting the results to the public, there has been a consistent campaign against both practices by teachers' trade unions and large parts of the educational establishment? Labour spokesmen and Ministers, however, have in principle always defended that approach.

Will the Secretary of State explain how his latest announcement of stage not age testing is not yet another serious step back in the face of all the campaigning? Surely it will make it much more difficult for parents to know whether their children have reached the standards expected of their age level, much more difficult for people to have confidence in the quality of the standards being described, and almost impossible for parents and the public to make meaningful comparisons between the performances of different schools.

Ed Balls: I know that the right hon. and learned Gentleman takes these issues seriously and studies such matters closely. He will be reassured when he studies the detail of the proposals. I have listened to people, including those from the teaching profession, who have put it to me that we should move away from collecting information that allows school-by-school comparisons of performance to be made. I reject that approach—it does not reflect the consensus in this country, including the consensus among parents. That information is essential in order to drive up standards in our schools and to ensure that we tackle schools that are coasting.

That is fully consistent with what we are talking about now—a move towards a more stage-based approach to testing. Such an approach allows children to be tested according to their ability and the level that they have reached. It allows schools to stretch the best pupils further, while ensuring that children who are falling behind are still tested at a level appropriate to them. The information can then be used to make proper comparisons.

I shall give an example in order to explain the approach. If we were to say that all children who are learning a musical instrument, the violin for example, should be tested at 11, in year 6, it would be ridiculous to say that every child would have to take the grade 5 music exam regardless of whether they had started to learn a few years before and were at grade 1 or they were a good musician and at grade 8. It makes much more sense for the music test—the tests will build on this principle—to be based on the progress that the child has made. That in no way makes it difficult for us to compare schools in terms of the attainment levels that children reach. We will ensure that, under our pilots, we test carefully so that we provide information that allows comparisons to be made both between schools and with the past. Our independent standards regulator will ensure that we do that properly.

Helen Southworth (Warrington, South) (Lab): I thank my right hon. Friend for his welcome statement, which contains some good news for children and families. May I remind him that he has received the report and recommendations of the parliamentary hearings to safeguard the 100,000 children who run away and go missing every year? Will he respond positively to those recommendations by supporting measures to reduce radically the number of children who run away in the first place and to provide immediate safety for children who go missing?

Ed Balls: I commend my hon. Friend on the leadership that she has given on this issue. As she knows, we are working closely with the Children's Society on these matters. In fact, we are implementing some of her proposals by including a national indicator on young runaways in the local government indicator set. That information will be important in enabling us to improve

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our policy delivery across the country. We are carefully studying her report, which followed her consultations. We shall discuss the details with her, and make a further announcement in due course.

Peter Bottomley (Worthing, West) (Con): May I say to the right hon. Gentleman that if he believes his approach to child health services is the first strategy, he ought to ask for a copy of the Court health report, which I believe was published when he was 10, in 1977? He might also read with some advantage the Plowden report on primary schools, especially the research report published in 1967, the year that he was born.

I support what the Secretary of State said about stages rather than just ages—it is perfectly possible to produce age profiles from stage reports. I strongly support the idea that people can reach standards not only in music, athletics and swimming, but in maths, spelling, arithmetic and other forms of mathematics. The sooner we start saying to people that they can soak up information and knowledge, the faster we will undo the damage that I fear was done in most educational reforms made between 1955 and 1985. He should not believe that he is the first person to think that we can get standards back, and put arms around all our children.

Ed Balls: I think that I appreciate the hon. Gentleman's kind comments and I thank him for reminding me of my date of birth. I cannot admit to having read the Court report at the age of 10. Opposition Members may have been reading such reports at the age of 10, but I think that I was playing. My point was that we will produce the first ever joint report between the health service and the Department responsible for schools and children's services on child health. That is important because it will mean that we can integrate health into our parenting and schools policy. That is welcome and, as I understand it, new, and a consequence of the innovation of our new Department.

As for the hon. Gentleman's comments on progression, I entirely agree with his sentiments. We are seeking to implement those sentiments in the reforms that we set out today. Perhaps the importance of today for that issue is not that it is a new departure, but the commitment from Government to make it happen. That is my commitment today.

Clive Efford (Eltham) (Lab): I urge my right hon. Friend to reward those schools that take on the most challenging pupils, because otherwise we will not improve standards in the way that we want to in constituencies such as mine. I welcome his statement on communities becoming involved in providing facilities for local young people. Can he say how those local communities will be able to engage with that, and will he ensure that those voluntary organisations that are already engaged in such work, but are struggling to find core funding, are not overlooked when it comes to the funding that he is making available?

Ed Balls: Only yesterday, my right hon. Friend the Minister for Children, Young People and Families and I visited the excellent Cardwell primary school in Woolwich, close to my hon. Friend's constituency. The school is in a disadvantaged community and it is implementing now the vision that we set out for schools in the plan, including ensuring that all barriers to learning, in and out of school, are addressed by the school, the parents and the local community; engaging health services and parents from the earliest years; and working closely with the voluntary sector. In our work on children's trusts, we want to ensure that the voluntary sector is included with schools and wider services, and that we have a consistent approach across the country to tackling those issues in the way that my hon. Friend sets out. I commend the local authorities in that part of south-east London on the leadership that they are providing on this matter.

Stephen Williams (Bristol, West) (LD): I welcome the mention of support for young carers in the Secretary of State's statement. Young carers underachieve in education because of the enormous burdens put on them in caring for their parents, siblings or both. What is not so welcome is that that group will have to compete for the £56 million a year that has been allocated with parenting advisers for each local authority, undefined family learning and new support for families with disabled children. Will the right hon. Gentleman commit to making young carers a priority for his Department, so that that neglected group of children is given much more support to achieve their full potential?

Ed Balls: I can give the hon. Gentleman more details of the plan. If he studies those details, he will see that the plan will build on the £13 million that we have already allocated to young carers, many of whom face huge burdens and difficulties, through the family pathfinders programme. In addition, I will make available through the plan a further £3 million over the next three years so that we can do more to support young carers and ensure that their needs are properly taken into account in our wider carers strategy. We have a detailed plan, supported by specific money, and I hope that he will be reassured when he examines the details.

Hilary Armstrong (North-West Durham) (Lab): I welcome my right hon. Friend's statement and the plan. I would like him to say a little more about work force reform, because it is important that the very best quality staff work with young children in the early years. It is important that we set an ambition to recruit teachers from the top 10 per cent. of graduates. We have already done a great deal to improve the teaching work force, but we have more to do. We also need a better quality work force looking after children in care, and in youth services. The most difficult problem, in constituencies around the country, is the recruitment of youth workers, because full employment means that many of the people who before would have been prepared to do sessional youth work are now not able to do so, and I want to see—

Mr. Speaker: Order. Hon. Members have one supplementary question.

Ed Balls: I can reassure my right hon. Friend that in the plan we are taking forward and enhancing the teach first programme. We are also introducing a teach next programme, which will encourage more excellent people from our wider community to come into teaching. As I have said, in the next three years we are investing more than £100 million in the early years work force. Our commitment is to make teaching a masters-level profession by ensuring that every new teacher studies for a masters qualification, but we will also encourage more teachers who are already in schools to study for a masters qualification. We will make that part of our continuing professional development work and will work closely with unions and heads to make it happen. I hope that when she sees the detail, she will be reassured that we are taking forward the work force agenda, so that we have more excellent people in our schools and in our early years settings.

Mr. Gary Streeter (South-West Devon) (Con): May I commend the Secretary of State for his commitment to families with profoundly disabled children? Does the children's plan contain extra capital funding for respite care for such families, and will he say a little more on the subject? Is the money to be ring-fenced for local authorities, and will it be distributed alongside the extra and very welcome revenue funding that he announced earlier in the year?

Ed Balls: Within the children's plan, and on top of the £280 million that we have allocated to pay for an expansion of respite care for families with children with a disability over the next three years, we are now able to allocate £45 million in the next three years to support capital investment in new respite care facilities. That will make sure that the premises where respite care is provided are modernised and get the extra and special equipment that often makes the difference between a family being able to access respite care and them finding that—because of the absence of the right kind of hoist, for example—it is just not possible for them to take advantage of those respite care facilities. The money will not necessarily mean new facilities, but there will be investment in the extra help that those facilities need. We are also expanding the Family Fund to ensure that 16 to 18-year-olds qualify for grants. We think that 16,000 more grants could be made as a result of the announcements.

Through his work last year, the hon. Gentleman rightly put the Government on our mettle on the issue of whether we will deliver for families with disabled children. I hope that we will show him, families with disabled children, and disabled children themselves, that we are on their side. We are investing in extra support for them. When we on the Labour Benches talk about the every child matters initiative, we are talking about every disabled child, too.

Ann Coffey (Stockport) (Lab): May I welcome my right hon. Friend's statement and his commitment to improving the quality of life of all children? I also welcome the introduction of the Children and Young Persons Bill to improve outcomes for looked-after children. Most homes for looked-after children provide very good standards of care, but I am concerned that some reach a barely adequate standard. That is evidenced by the number of children who run away. Does he agree that if we are to drive up standards in the small number of homes concerned, a strong message must be given to failing homes? It should be exactly same message that is given to failing schools: improve or face closure.

Ed Balls: The answer to my hon. Friend's question is yes, absolutely. We expect Ofsted to be as rigorous in its inspections of children's care homes as in its inspections of schools. We must ensure that where Ofsted highlights failures in provision, we act. One of the more general themes of the children's plan is that we need Ofsted to inspect across schools and children's services, in relation to the range of every child matters objectives and all the measures of well-being, including the way in which schools and children's services work together. That includes looked-after children.

Mr. John Redwood (Wokingham) (Con): Why would it be more attractive to parents if a new primary school shares a site with a police station with cells?

Ed Balls: I have read the children's plan, but I do not remember a proposal for police stations with cells. However, the plan does include a proposal for safer schools partnerships, which involve community safety officers and police working in schools to help children be safe in their local communities. We will take that forward, and I hope that every school will belong to one of those partnerships in which the police work with schools. If the right hon. Gentleman shows me where the proposal for police cells in schools is in the plan, I will explain it to him.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Given my right hon. Friend's response to the every disabled child matters campaign, does he agree that the funding that he outlined should indeed be spent on the services relevant to the problems that exist, if only as an example to other parts of the United Kingdom?

Ed Balls: When we conducted our review of the life chances of disabled children and their families, and allocated extra money for respite care and other services, we consulted across the country. Welsh and Scottish MPs were active in those consultations. In fact, my right hon. Friend led our parliamentary consultation with my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble). There was widespread expectation that the money would be spent not only in England but elsewhere, and that the Barnett consequentials would be spent on disabled children in other parts of the United Kingdom. That is happening in Wales but, to my knowledge, it has not happened in Scotland, where the funds have been diverted to cut council tax. I am very disappointed indeed that the needs of disabled children and their families are not a priority for the Scottish Executive.

Mr. David Curry (Skipton and Ripon) (Con): Does the Secretary of State really believe that a nursery school is incapable of delivering the highest quality care unless it employs two graduates? Does he accept that if the English are to become less bad linguists, they must learn the grammar of the English language if they are to have a hope of learning a foreign language? Will he ensure that that comes first in primary schools?

Ed Balls: My answer to both questions is yes. Teaching grammar is an important part of literacy in primary schools, and we have allocated money for graduates in the early years setting to make sure that language and communication are an important part of early years learning. If I misunderstood the question, I apologise, but I agreed with that excellent intervention.

Dr. Ian Gibson (Norwich, North) (Lab): In reference to his birth date, may I remind my right hon. Friend that two weeks before he was born, his father and I journeyed up from Norwich to watch Norwich City FC beat Manchester United—a match full of star-studded players—and I think that that had a big effect on his formative years? To be serious, may I ask him about special needs? I welcome the fact that he mentioned dyslexia, but what about autism and Asperger's? Although those reviews are under way, there are problems now. Every MP has constituents who are struggling to make ends meet and deal with those problems. We cannot wait until 2010, as there is a problem now. We need more schools and teachers, and more help for struggling families.

Ed Balls: I thought that my hon. Friend was about to raise the issue of excessive drinking by young adults, which may have occurred on that train on 18 February 1967, after Norwich's surprise victory as a member of division 3 south against Manchester United in the FA cup—one of the highlights of my pre-life, given that I was born seven days later. Why my father was at the game, rather than at home has always been a mystery to me. *[Interruption.]* He was with my hon. Friend.

To answer my hon. Friend, we have put substantial amounts of extra money into supporting special needs in this year's settlement and for the next three years. I have announced reforms to try to improve the way in which we spot dyslexia in the early years of primary school, but following the Bercow review into some of those matters, the Ofsted review will give us an important opportunity to assess whether we are getting that right and whether we need to do even more in future.

Emily Thornberry (Islington, South and Finsbury) (Lab): Is my right hon. Friend aware how grateful my constituents are that the Government went into listening mode before publishing the children's plan, by way of reading the written submissions that a large number of my constituents made or through meetings with him and with my right hon. Friend the Chief Secretary to the Treasury, who also had meetings with Islington constituents? Of the many suggestions in the children's plan, they will be particularly pleased to hear that there will be free nursery school education for two-year-olds.

Ed Balls: I am grateful for my hon. Friend's role in our consultation. I know that a number of Members had consultation meetings with local parents, schools and children and made submissions to the plan. I hope that that work will carry on over the next year, because we need to do more in our local communities to put in place the play facilities and the youth facilities that are needed and to involve parents more in schools. We will ensure that we provide the materials for hon. Members to keep consulting in future.

On nursery care for two-year-olds, I agree with my hon. Friend that that is a major part of our agenda to reduce child poverty and the causes of child poverty, by making sure that from the earliest years children in disadvantaged communities get the support and learning that they need. For those 20,000 children, this will not be a gimmick, but a life-transforming experience.

Annette Brooke (Mid-Dorset and North Poole) (LD): Given that one in 10 three and four-year-olds are not accessing their free entitlement to nursery places, and that a number of evaluations of Sure Start and children's centres have shown that the most disadvantaged families are not necessarily being reached, alongside the 20,000 extra places that the Secretary of State announced today, what further measures will he take to make sure that the most disadvantaged are benefiting from these policies?

Ed Balls: We are addressing that issue in two ways—first, through the extra work that we are doing through Sure Start to reach out to the families that the hon. Lady describes to ensure that they take advantage of the services on offer. Sure Start has a continual obligation to keep reaching out further into those communities to find parents who need help and are not getting it. The second way is through the investment that we are making in the early years work force. More quality and more graduates in the early years is the best way to persuade parents to take up their entitlement and to do the best by their children. I hope that the measures on quality will encourage many more parents to take up the opportunities available.

Mr. Ronnie Campbell (Blyth Valley) (Lab): I welcome the plan, which is a step in the right direction, but I am worried. In my home town, where we have the brand-new Blyth community college, the go-ahead has just been given for a brand-new academy right next door. I wonder how the college will fare, seeing that academies always get more money per pupil.

Ed Balls: To reassure my hon. Friend, academies do not get more funding per pupil compared with other schools. Academies are being taken forward as part of the building schools for the future programme. I have had a number of discussions with him on these matters, as have members of my Department, and I am happy to keep discussing these matters with him to ensure that what we do together is in the best interests of all young people in his constituency.

Several hon. Members *rose*—

Mr. Speaker: Order. There are a large number of Members standing. I have allowed up till an hour, and I can go over the hour, provided that the supplementaries are sharp and that we talk not about football matches, but about education.

Barbara Keeley (Worsley) (Lab): May I welcome the inclusion of young carers in the plan. A group of young carers from the national young carers forum attended the House last week and told the Under-Secretary of State for Children, Schools and Families, my hon. Friend the Member for Cardiff, West (Kevin Brennan), about all the issues that affect their education and their lives. Does my right hon. Friend agree that the expert parent advisers, plus the social care reforms announced by our right hon. Friend the Secretary of State for Health yesterday, will help those young people start to enjoy and be free to enjoy their childhood?

Ed Balls: I am grateful to you, Mr. Speaker, for giving us more time. That is a reflection of the importance of the plan. I will keep my answers short. I commend my hon. Friend the Member for Worsley (Barbara Keeley) on her leadership. It was her intervention last week and her persuading of my hon. Friend the Under-Secretary that ensured that the money was in the plan to support young carers over the next three years.

Mr. Graham Stuart (Beverley and Holderness) (Con): The House will welcome the recognition in the Secretary of State's statement of the problems with pupil referral units. If ever there was an example of where, unfortunately, in the past 10 years the most vulnerable people have been let down, it is there. The number in those units has doubled from over 7,000 to over 15,000, yet the number getting a good GCSE is 0.4 per cent. Will the Secretary of State give us some detail about what he will do to ensure that standards rise in those units, and perhaps a little more about the pilots that he would like to see to obtain a proper replacement for them after 10 years of failure for those very vulnerable pupils?

Ed Balls: I am going to strengthen regulation; I am going to put £26 million aside over the next three years to pilot alternative forms of provision, including one to see whether studio schools can play a role in this; and, subject to Sir Alan's further recommendation, I am going to implement the Steer recommendation next year that we should go ahead and make exclusion partnerships compulsory for all schools. That is the best way to ensure that we do right by the education of pupils who are excluded—we need to continue to support them so that they can do well in the future.

Nigel Griffiths (Edinburgh, South) (Lab): I welcome my right hon. Friend's plan, but does he accept that healthy eating is a major contributor to the well-being of our children? Will he support my private Member's Bill to help tackle obesity, and his ministerial colleague, the noble Baroness Royall, who said in the other place on 27 November that we need a ban on advertising high-fat, salty and sugary foods before the 9 o'clock watershed?

Ed Balls: I congratulate my hon. Friend on his leadership in highlighting the importance of healthy eating among children, and I can reassure him that, although I will need to consult my right hon. Friend the Secretary of State for Health and cannot give an indication today of the Government's view on my hon. Friend's Bill, we will ensure that the wider issues that he raises are taken forward in our child health strategy in the spring.

Mr. Graham Brady (Altrincham and Sale, West) (Con): The Secretary of State knows that one of the most serious shortcomings in our schools at the moment lies in the unacceptably high number of children who move backwards between the ages of 11 and 14. Is it not the case that under his new testing proposals it will be impossible to know whether that situation is improving or getting worse in particular schools?

Ed Balls: The exact opposite is the case. Our proposals to test child by child on the basis of level, but also to expect them to move level by level, year by year, will enable us accurately to measure for each child and for the school whether children are making progress and to measure the level that they reach at any point in time. I can reassure the hon. Gentleman that on that point he is wrong. Also, I apologise for the fact that there is nothing on grammar schools in the plan.

Fiona Mactaggart (Slough) (Lab): I warmly welcome the Secretary of State's proposal for a safe place for every child to play, but is he aware that Slough borough council, when challenged to produce a play strategy, planned to close local play areas rather than repair the dangerous and crumbling equipment in them? Will he place a duty on every local authority to ensure that there are safe play areas in every neighbourhood, and penalise those local authorities that take this opportunity to cut their local play areas?

Ed Balls: Given that this is a matter for local decision, if in the end councils of whatever political colour choose not to prioritise children, it is hard for me to intervene directly. If Slough borough council has heard the Opposition's contribution to this, it may be rather encouraged in its view that children's play areas are gimmicks and wheezes rather than serious policy. However, we will ensure that Ofsted inspects across all every child matters outcomes, across schools and children's services, and I encourage my hon. Friend to lead her own campaign with local people to ensure that, through the Big Lottery Fund, she gets new centres and also that play centres are available in her constituency. I fear that she may have to rely on her own leadership if it is not forthcoming from her Liberal Democrat council.

Jeremy Wright (Rugby and Kenilworth) (Con): I welcome the Secretary of State's recognition that CAMHS has a capacity problem. Following the comments of the hon. Member for Eltham (Clive Efford), may I ask the Secretary of State to recognise that there is a substantial segment of services that CAMHS cannot offer children and young people with mental health problems? I am thinking particularly of those who have experienced traumatic situations, for example. Will he ensure that the review will give adequate consideration to the funding that voluntary sector organisations need to provide the services that CAMHS will be unable to provide, even post-review?

Ed Balls: The hon. Gentleman is right to highlight the important contribution that voluntary organisations make in providing support for such children. I guarantee that such issues will be considered in the review. The review is not about whether we should improve CAMHS, but about how we can do so. In my view and that of my right hon. Friend the Secretary of State for Health, the issue is not only about capacity, but about how we use the money to serve children's needs best. We will ensure that the review is done well and then seek to implement its recommendations.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): I thank my right hon. Friend for his statement on the children's plan. He will not be surprised that I wholeheartedly welcome his announcement of the £18 million over three years for teacher training specifically for special educational needs.

My right hon. Friend will be aware that my private Member's Bill is about special educational needs; I hope that it will get a fair wind through the House. Will he consider allocating part of the £44 million, which he announced for the next three years to enable teachers to study for master-level qualifications, to teachers wishing to gain specialist qualifications in special educational needs such as dyslexia?

Ed Balls: I congratulate my hon. Friend on her leadership. We have spoken about dyslexia issues. As she will know, the money that we announced last week will not only go towards considering how we can spot dyslexia early through the every child a reader programme, but establish whether dyslexic children's needs are best met through ECAR or specialist dyslexic help.

We are studying the detail of my hon. Friend's Bill. It is important and I am very hopeful that we will be able to support it.

Tony Lloyd (Manchester, Central) (Lab): My right hon. Friend will be aware that young people in inner-city areas such as mine will welcome his announcement on youth service provision. However, does he recognise that one of the things that has bedevilled youth service provision—historically, a non-statutory structure—is that it has always been easy to cut? Although I welcome the fact that big capital schemes are coming on board, it will be necessary to make sure that the revenue consequences are guaranteed and locked in for the long term.

Incidentally, it would be churlish of me to mention that Manchester United has got over the defeat in 1967.

Ed Balls: It was the highlight of Norwich City's 100 years of history.

In taking forward our commitment to 30 adventure playgrounds for eight to 13-year-olds in disadvantaged communities, we are allocating not only capital but £5 million a year in revenue to make sure that there is money for supervision, which is important for such facilities. I agree more generally that it is important to make sure that youth services are properly funded not only in capital but in revenue terms. We are giving a lead, although a lot of the responsibility also falls to local authorities.

Kerry McCarthy (Bristol, East) (Lab): My right hon. Friend saw first hand the success of the building schools for the future programme when he visited Bristol Brunel academy—the first BSF school in the country—with the Prime Minister in September. I welcome today's announcement that there will be new guidance for BSF schools to ensure that, when possible, other services will be co-located with them. Will that apply only to schools currently in negotiations about BSF?

Ed Balls: We will do that where possible. I understand, from discussions that I and the Minister for Schools and Learners have had with Partnerships for Schools, that a lot more flexibility exists than local schools and authorities are aware of. We will seek to be clearer in guidance about what can be done. When it is necessary, we will do more on guidance and flexibility to allow co-location to occur. The Minister and I will be happy to discuss with my hon. Friend the detail of any scheme, although the flexibility may already be there.

Ms Dawn Butler (Brent, South) (Lab): I thank my right hon. Friend for his statement and for the children's plan, which is a progressive plan for young people and children. Five days ago, Richard Angell, Stephanie Peacock and I welcomed 60 young people from all over the country to talk about the new £1 rate to join the Labour party and how the Labour party could employ it to engage more with young people. Can my right hon. Friend assure me that councils will have some accountability to ensure that they consult young people on the delivery and progression of the children's plan?

Ed Balls: I can reassure my hon. Friend that the £160 million spent on youth services through our Department and the Big Lottery Fund will be conditional not only on consultation with but on the active engagement of young people in drawing up proposals and their future management. Through her leadership in the all-party group on youth affairs, my hon. Friend has highlighted the importance of engaging young people in the design and implementation of policy, and this is a good example of an area where we will ensure that that happens case by case across the country.

Anne Snelgrove (South Swindon) (Lab): This is an excellent plan. I particularly welcome the youth service proposals and the adventure playgrounds. Will my right hon. Friend say something about the eight-to-13 age group, who are often neglected in this respect? What will be in it for them?

Ed Balls: I mentioned the 30 adventure playgrounds, which will be particularly for that age group. However, the more general point is that many parents are concerned about the transition from primary to secondary school, and many teachers are concerned that some children are not making as much progress as they should in the first and second years of secondary school. We aim for parental engagement in that transition and in the early years of secondary school, and we will be able to address both those issues through these proposals, plus age not stage—[Hon. Members: "Stage not age"]—thank you—stage not age testing and the making good progress pilots. That will help to support the age group that my hon. Friend mentions.

Mr. David Kidney (Stafford) (Lab): In children's first years of life, their main educators are usually their parents, not school teachers, and the professionals to whom those parents usually turn for support are not teachers but health visitors. Does my right hon. Friend envisage a central role for health visitors in co-ordinating those other supports for this group of parents?

Ed Balls: Health visitors and midwives are playing a central role in many areas, and we envisage their doing so in future in the implementation of this plan. It is very important to bring together education, schools, children's services and health policy in local areas. We are expanding the family fund to support parents in supporting their children's learning at home, including in the earliest years. We also want to ensure that co-location of services includes health services in the earliest years. When I was at Cardwell school yesterday, I met people from the PCT and midwives who were doing that for children and families in that part of south-east London. We can make this happen across the country.

European Affairs

[Relevant documents: Thirty-fifth Report from the European Scrutiny Committee, Session 2006-07, HC 1014, on the European Union Intergovernmental Conference; and Third Report from the Committee, Session 2007-08, HC 16-iii, European Union Intergovernmental Conference.]

4.43 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I beg to move,

That this House has considered the matter of European affairs.

I am pleased to open this traditional debate on European policy held before each meeting of the European Council. Before I do so, the whole House will expect me to express our shared horror at the two bomb blasts in Algeria today. The latest information is that there were two targets—a student bus and a United Nations mission. Sixty-two people are known to be dead and 13 people, whom we presume to be UN staff, are currently unaccounted for. No one has yet claimed responsibility for this terrible atrocity, but I know that the whole House will want to send deepest condolences to all those concerned and to ensure that we offer to the Government of Algeria any possible help that we can give them, both in pursuing the perpetrators of this terrible crime and in helping them to strengthen any security that they need to strengthen or to develop any security co-operation to prevent this sort of terrible outrage in future.

The meeting of the European Council this week will address some of the most pressing issues facing the European Union. It will set out a globalisation declaration and establish a reflection group on the long-term global context for European action. Leaders will also no doubt bask in the acclamation among the peoples of Europe for the benefits of the Lisbon reform treaty—*[Laughter.]* I was just checking that hon. Members opposite were listening.

Mr. John Redwood (Wokingham) (Con): As the Foreign Secretary is adamant in refusing the British people a vote, why does he not give this House a vote before he signs away our birthright by signing the treaty?

David Miliband: As the right hon. Gentleman knows, no birthrights are being signed away, and I look forward to many debates and many votes in this House in the course of the new year, when we can debate such issues at great length.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): I am happy to have my right hon. Friend's assurance that no birthright is being signed away. However, one or two rather fundamental points are being agreed in this treaty. Despite the fact that objection to the treaty may be regarded as a purely political ploy on the part of some Members, it might be helpful if we in the House of Commons were to register in some way that there is a great deal in it that causes great worries to many people of all parties.

David Miliband: I am happy to reassure my hon. Friend that all the details of the treaty will be carefully scrutinised. Time will be given for all opinions to be registered and for the detail to be exposed and debated. She will know, as will hon. Members opposite, that the treaty will come into force only when it has been passed by this Parliament and every other country that is party to the treaty.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Will my right hon. Friend confirm for the record that, however lengthy the debate in the House may be, it is not a question of amending even a single comma but of accepting the whole treaty or nothing? Therefore, the whole concept of the House being involved in the drafting and drawing up of the treaty was not realised. We are being given a rather black-and-white choice rather late in the day.

David Miliband: My hon. Friend will know from the exchanges we had in the Select Committee on Foreign Affairs that there are good grounds for looking again at the way in which the period between 19 and 21 June brought into sharp relief the choice faced by the Government and subsequently the House. That is the point at which the bilateral discussions that had been happening were consolidated into a single text. We have had exchanges about that in the Committee. She is right to say that the House will face the question of whether it should pass the treaty in the new year. If the House does not do so, or if the treaty is rejected elsewhere in Europe, it would not come into force.

Kate Hoey (Vauxhall) (Lab): Just to clarify exactly what the Foreign Secretary said, will he tell me what would happen if a particular amendment tabled by the House went through to amend one part of the treaty? Is he basically saying that we are going to spend months and months discussing it, but that it quite honestly makes no difference whether or not anyone turns anything down because the treaty will go through?

David Miliband: My hon. Friend is right to say that in the end the House has to decide whether to pass the Bill. The Bill will implement the treaty, and the House certainly can amend the Bill. For example, we will have a long debate about a referendum on the treaty. An amendment on that can succeed or fail; if it succeeds, the treaty would go in front of the people for passage or not. The Bill is amendable in the same way as any other—

Mr. Austin Mitchell (Great Grimsby) (Lab): Can we amend the treaty?

David Miliband: It is the Bill that comes before the House, and the Bill can certainly be amended.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): Will my right hon. Friend confirm that the procedures being adopted by the Government in relation to the treaty are exactly the same as those adopted in the past when dealing with the important Maastricht, Amsterdam and Nice treaties, which were supported by Conservative Front Benchers? Will he comment on the fact that if amendments were made to the treaty in the 27 countries of the European Union, we would end up with complete anarchy when trying to achieve anything in Europe?

David Miliband: My hon. Friend's intervention is telling, and so is the response from Opposition Members, because what they want is anarchy in the European Union. My hon. Friend is absolutely right. The procedure that the Government will follow will be just as with previous treaties. Previous amending treaties have tried—

Several hon. Members *rose*—

David Miliband: With due respect to hon. Members, I said that I would go through the issues being discussed at the European Council and then move on to the European reform treaty. If they will permit me to do so, we can return to their questions about the treaty at the appropriate moment.

For obvious reasons, the situation in Kosovo will be at the forefront of discussion this Friday in Brussels. The responsibilities of the EU, which I discussed with Foreign Ministers in Brussels yesterday, are critical to stability in the western Balkans, and I say the whole of the western Balkans advisedly—Kosovo, Serbia and the other parts of the region together. The written ministerial statement that I laid before the House this morning sets out the Government's approach. The origins of the problem are ancient. They date right back to the battle of Kosovo Polje in 1389. However, the immediate context is set by the terrible experience of the people of Bosnia in the mid-1990s and of Kosovo at the end of the 1990s. Then, ethnic nationalism overwhelmed the forces of moderation and humanity. This time it needs to be different. Kosovo Albanians and Serbs need to know that restraint and due process will be honoured, and extremism and violence confronted.

There has been an extensive process of mediation over the past two years, first under UN auspices, led by former President Martti Ahtisaari of Finland, and then under an EU-Russia-US umbrella for the past four months. These efforts have been unstinting. I want especially to recognise the efforts of Wolfgang Ischinger, the German ambassador to the UK and the European troika representative over the past four months. I met Ambassador Ischinger again yesterday to hear his latest views. The basic fact is that despite the effort at mediation, there remains a wide gulf between the sides which further mediation will not close; so they have to choose and so do we.

The Kosovars have to choose how they go about pressing their claims for independence, recognising that the status process provided for in UN Security Council resolution 1244 resulted in the Ahtisaari proposal for supervised independence. The signals from Pristina yesterday were encouraging. The Government there said that they would first, stay in step with the international community; secondly, work to minimise violence in Kosovo; and thirdly, honour the undertakings of the Ahtisaari plan, including for minorities.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I presume that the Foreign Secretary has met the Serbian Foreign Minister to discuss this difficult issue. Like many other young people, the current Serbian Foreign Minister fought against Milosevic and put his life at risk opposing the despot, but his position in his own country is being made extremely difficult by the great rush by the United States for an immediate solution. What assurances can the Foreign Secretary give me that the process will not be rushed?

David Miliband: I am happy to confirm to the hon. Gentleman that I have met the Serbian Foreign Minister three times, most recently yesterday. It is important to recognise that there needs to be outreach both to the Kosovars and to the Serbs—the Serbs within Kosovo and the Serbian Government. The political situation is obviously delicate, but I assure the hon. Gentleman that we are seeking to strengthen the forces of moderation on both sides. He talked about a rush to independence, but the fact that the Kosovan Government are talking about working with the international community and about a period of months, not days, speaks at least in part to the sort of care that he knows is important.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): The right hon. Gentleman has indicated on the radio that he is now in favour of independence for Kosovo. He will know that that is very much at variance with the Government's policy at the time of the bombing of Belgrade, when his predecessor Robin Cook said:

> "we do not support independence for Kosovo…we believe that its present status must be enhanced through meaningful autonomy."

If the Foreign Secretary is arguing that circumstances have changed over the past few years, requiring the Government to adopt a new position, will he at least acknowledge that further changes are required to the current proposals? If the borders of Serbia are not to be seen as sacrosanct, is there any reason why the current borders of Kosovo should be seen as sacrosanct? Will he give further consideration to whether the northern part of Kosovo around Mitrovica, which is dominated by a Serb population, might be left with Serbia as part of a concession that might enable moderates in Belgrade to accept the inevitable?

David Miliband: I should like to address the three or four points that the right hon. and learned Gentleman has raised. First, the French Foreign Minister and I said in September that if the mediation process could not close the gap between the sides, the Ahtisaari plan for supervised independence was on the table and should represent the basis on which to move forward. To answer the third point that the right hon. and learned Gentleman hinted at, we also said that the Ahtisaari plan should be seen as a basis. If there is a way we can add to the guarantees that are offered—to the Serbs in northern Kosovo, for example—we should look to do so within a new constitutional settlement, recognising that Serbs are to be [illegible] not only in northern Kosovo but in other parts of Kosovo as well.

The right hon. and learned Gentleman asked me directly about partition, and I want to address that point directly. We do not support the partition of Kosovo. The mediation team has been talking to both sides over the past four months, and that suggestion has been floated. Both sides have addressed the question, but we have been clear that partition is not the way to create a viable, stable constitutional settlement in Kosovo. We do not support that proposal.

Mr. Greg Hands (Hammersmith and Fulham) (Con): I agree with the Foreign Secretary that self-determination is key in Kosovo, but there cannot be self-determination while we reject any possible partition of Kosovo in favour of the self-determination of the Serb minority in the north. I should like to ask the right hon. Gentleman two questions. First, what are his plans for the Serb enclaves further south? Secondly, what access can he guarantee for Serbs trying to reach the cultural sites, such as monasteries, that are extremely important for the Serb position?

David Miliband: The situation in Kosovo is unique, as I think the official Opposition have recognised all along. It is unique because Kosovo is the subject of the terrible tragedies of the 1990s; because it has been a UN protectorate within a country for the past eight years, since the 1999 UN Security Council resolution; and because it has been the subject of a political process that emanates directly from a UN Security Council resolution with the attributes that I have described. This unique situation circumscribes the boundaries of a new Kosovo in a very clear way. Any state needs to be viable, to be able to fend for itself and to organise itself, and I do not believe that partition would meet those criteria.

In answer to the hon. Gentleman's question about protection for Serb minorities outside the north, I would say they need precisely the kind of security presence that the NATO KFOR force provides. There are 16,000 NATO troops there at the moment. That is in start contrast to the situation when the terrible events took place in the 1990s. He also asked a reasonable question about access to religious sites. The precise purpose of a supervised independence—I emphasise the word "supervised"—is to ensure that there is proper respect for minority rights, and that the kind of access he has described is properly organised and policed.

Chris Bryant (Rhondda) (Lab): Does the Foreign Secretary accept that there is considerable unhappiness on the Kosovar side, not least because of the long-standing obduracy by Serbians over the handing over of indicted war criminals? There are four still remaining, and Carla del Ponte—the United Nations war crimes prosecutor, who retires in a week's time—has made it absolutely clear that she is certain that the Government in Belgrade knew exactly where two of them were two years ago. Is it not time that Belgrade did its business in this regard?

David Miliband: I strongly agree with my hon. Friend. Carla del Ponte made a presentation to the European Foreign Ministers in October. Of the 36—I think—indictees, 32 have been returned, and it is very important that the last four should be returned as well. It is also important to recognise that the Serbian Government have now put up $1 million as a reward. It is perhaps a little late in the day, but the reward is now there, and we now need to see 100 per cent. conclusion to the process, with all the indictees being returned.

Let me briefly rehearse the position that the UK Government will take over the months ahead. First, resolution 1244 provides a legal base for international activity, and the decision by NATO Foreign Ministers on Friday to confirm the presence of KFOR is vital in that regard. Secondly, the Ahtisaari proposal for supervised independence continues to provide the best basis for moving forward in the absence of agreement between the parties. Thirdly, the EU needs to take responsibility for the problem in its own backyard. Inaction means something worse than continued limbo; it means a festering problem that will become dangerous if there is no way forward. Fourthly, there needs to be a European security and defence policy mission working in close co-ordination with NATO forces. Fifthly, there needs to be the significant outreach that I have described, to the Serbs in Kosovo, to guarantee their rights, and to Serbia. That position can command consensus in the EU in the months ahead.

The second major foreign policy issue for discussion on Friday will be Iran. I hope that there is consensus across the House on that issue. Iran has every right to be a proud, respected member of the international community; it does not have a right to set off a nuclear weapons race in the middle east. Last week's US national intelligence estimate—the NIE—judged that Iran had a nuclear weapons programme up until 2003, when it halted one aspect of it. If true, that is good.

However, the report does not answer the questions of the international community, which have been expressed in successive UN Security Council resolutions, about Iran's activities and intentions. That is why it is so important for Iran to come clean on its past activities, including on the nature of any weaponisation programme, past or present, that would be a serious breach of the non-proliferation treaty.

The facts remain stark. Despite demands from the International Atomic Energy Agency and the UN Security Council, Iran is still pursuing an enrichment programme that has no apparent civilian application, but which could produce fissile material for a nuclear weapon. Iran is still denying the IAEA inspectors sufficient access to enable them to verify whether the nuclear programme is for peaceful purposes. The head of the IAEA, Dr. el-Baradei, whom I shall meet on 7 January, has said that the IAEA's knowledge of Iran's nuclear programme is actually diminishing. Dr. Solana has reported on behalf of the E3 plus 3 that his talks with Iran's nuclear negotiator failed to produce a positive outcome. As a result, we will be pressing for further action in the UN Security Council.

At the same time it is vital that the European Council should send a clear and unambiguous message to the regime in Tehran that it has a choice. Either it can co-operate with the IAEA and comply with the demands of the UN Security Council, paving the way for a genuine transformation of its relationship with the whole international community, including the US, or it can continue on its path of confrontation, resulting in further sanctions and isolation.

Ms Gisela Stuart: Can the Foreign Secretary tell us whether, in the UK Government's assessment, Iran already has the capacity to deliver nuclear weapons? Is it only Iran's ability to produce them that is the problem, or do we doubt whether it has the ability to deliver, as well as whether it possesses such weapons?

David Miliband: I know that my hon. Friend has recently visited Iran, and I look forward to discussing the visit made by the Select Committee on Foreign Affairs with the Committee. As my hon. Friend suggests, there are three aspects to any nuclear weapons programme: the weaponisation—which was addressed by the NIE—the enrichment and the missile. We know that missile tests are being carried out, and I would not want to say more about our judgments on the Iranian programme in respect of its missiles.

Mr. Bernard Jenkin (North Essex) (Con): We all know that the action that the European Council could take to which the Foreign Secretary refers is the imposition of sanctions to match the American sanctions. He is signing a treaty that elevates the prospect of a European common foreign policy yet further in the EU, but what is the possibility of getting agreement on this vital issue among the member states of the EU—least of all Germany, which seems extremely reluctant to sign up to any sanctions against Iran?

David Miliband: The prospects are reasonably good. The leaders of the EU countries will send a clear message on Friday. Of course, existing EU sanctions involve Germany. I think I am right—and if I am not, I shall be happy to write to the hon. Gentleman to correct myself—to say that EU trade with Iran in the year up until May 2007 fell by 34 per cent. That is one consequence of the sanctions regime, in which Germany is playing a part. I am happy to try to find a breakdown of countries' contributions to that 34 per cent. reduction. I had a conversation with Frank-Walter Steinmeier, the German Foreign Minister and Vice-Chancellor, at last week's meeting of NATO Foreign Ministers, which also took place in Brussels. From that conversation, I know that there is a strong German commitment to being part of a sanctions package.

The third important issue for the Council concerns international development, about which there is now helpful agreement across the House. Since the UN millennium summit in 2000, the world has repeatedly promised to "spare no effort" to free men, women and children from extreme poverty, but we are not moving fast enough.

The EU is the world's biggest aid donor. If the millennium development goal targets are to be met, it needs to act as a driving force. Following his call for action in July, the Prime Minister is determined to use this and future Councils to push forward EU action to achieve the millennium development goals. We want the Commission to produce a full account of progress so far, and to make recommendations on how the EU can accelerate its efforts. If that work begins now, the EU will be able to lead the rest of the world by example.

Any strategy will be incomplete without trade and trade deals. The EU-Africa summit agreed an action plan with trade at its heart. We are working hard for a conclusion to the Doha trade round, and economic partnership agreements have an important role to play. A significant number of African countries have signed EPAs, and I hope others will follow before the end of the year, providing better access to EU markets and helping Africa trade its way out of poverty.

Philip Davies (Shipley) (Con): Would the Foreign Secretary agree that much of the poverty in Africa is caused by EU trade barriers? He talks about setting an example, but would not this country be able to set a much better example if we had control over our trade policy? We could set an example to the other European countries if we had that, whereas at present we have Peter Mandelson determining our trade policy for us.

David Miliband: We know that the hon. Gentleman speaks with passion as a member of the "Better Off Out" campaign, but we would not be better off out of the EU. Indeed, we would be worse off—as would African countries, since it is Britain's liberalising instincts in the EU that make sure that we have a progressive trade policy.

The Council will also address key issues where European and wider global issues come together.

Kate Hoey: Before the Foreign Secretary moves on to other matters, will he say whether the Council will discuss the EU-African summit, and Zimbabwe in particular? Why was the sanction lifted, allowing Mugabe to strut into Lisbon and swan around listening to one or two mild criticisms when the media were not present? He was able to laugh at this country and the other EU nations. Does he think that the Council at the very least should discuss the nonsense that was the lifting of that ban, and that all the leaders should have followed the example set by my right hon. Friend the Prime Minister—that is, stayed away and called Africa's bluff?

David Miliband: I completely understand the passion that my hon. Friend feels about the matter, and it is shared by the Government and the whole House. I am sure that we will reflect on the lessons of the EU-Africa summit. Like her, I think that the Prime Minister was right not to attend, as his absence highlighted what is happening in Zimbabwe. The extensive discussion of Zimbabwe, including the contributions made by Baroness Amos, and the extensive media coverage did not represent the political triumph that Robert Mugabe sought.

Bob Spink (Castle Point) (Con): I am grateful to the Foreign Secretary for giving way; he is being most generous. At the Council, will he raise the question of the European gendarmerie force? Will he confirm that the force is now heavily armed and can recruit personnel from any EU member or candidate country, including countries such as Turkey? Will he give an undertaking that it will never be allowed to operate on British soil?

David Miliband: I only caught the end of the hon. Gentleman's question, but I am happy to reassure him that a nation must give its consent before any operation can be held in it.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): On the question of economic partnership agreements, is the Minister aware that both Namibia and South Africa have refused to sign an EPA with the EU, on the grounds that the agreements are unbalanced? What action should Britain take to make sure that both countries continue to have access to European markets?

David Miliband: My hon. Friend knows that if EPAs are not signed by 1 January 2007, the current regime lapses and the benefits that countries such as Namibia and South Africa receive are lost. That is why we are pushing hard for EPAs to be signed on a fair basis, and why the Under-Secretary of State for International Development, my hon. Friend the Member for Harrow, West (Mr. Thomas), was with me at the European Council yesterday, discussing how to make progress with the Trade Commissioner. I shall be happy to get an update on any further developments for my hon. Friend during the debate.

Mr. Brian Binley (Northampton, South) (Con): Will the Foreign Secretary give way?

David Miliband: I must make progress. I am sorry, but I have tried the House's patience sufficiently—

Mr. Binley: What about the treaty?

David Miliband: We will get to the treaty soon. If the hon. Gentleman stops interrupting me, we will get there sooner.

The Council will also address key matters on which European and wider global issues come together. Britain has benefited enormously from the single market and freer international trade. The Lisbon agenda from 2000 was designed to boost momentum on that, and the Council will take stock of progress.

It is right for the EU to take a lead on climate change. The Council will take place at the same time as the conclusion of the Bali conference, and will seek to respond as appropriate to any developments.

In respect of migration, on which the UK has an opt-in to all measures, the EU needs to work with countries beyond our borders to tackle illegal migration, manage legal migration and strengthen border control.

On enlargement, the General Affairs and External Relations Council agreed yesterday to continue to pursue policies in line with its enlargement strategy. There will be an accession conference with Turkey and Croatia next week. In the case of Turkey, it will open two new chapters in the accession negotiations.

The new focus on those important matters is a stark contrast with the enduring debate at successive European Councils in the past few years on institutional reform. Two further initiatives later this week will consolidate that new forward-looking agenda.

First, the EU will adopt a "globalisation declaration". That will make it clear that the agenda for the future is: jobs; climate change and energy; economic stability; trade; and migration and development—not institutional tinkering.

Secondly, a "reflection group" will be established to examine the long-term challenges that face the Union. One thing will be clear in the terms of reference: it is not about institutional reform.

Mr. Robert Walter (North Dorset) (Con): I share the Foreign Secretary's views about institutional reform, but he has not mentioned one of the disasters of the past couple of months: the failure to put together the EU force to go to Chad. If that will not be discussed, as he appears to imply, what will be the future for the European security and defence policy, given the embarrassment caused in connection with it by through European nations' failure to stump up?

David Miliband: The hon. Gentleman makes an important point, which he has raised in the House before. Yesterday, an extensive discussion took place in the margins and round the table at the General Affairs and External Relations Council about getting the helicopters that are needed. I share the hon. Gentleman's feelings of urgency. The links to Darfur and the position of the comprehensive peace agreement are also important. I therefore assure him that the matter is being addressed.

I said that a reflection group would be established to take a long-term look at the challenges that face the Union, and that its focus would clearly not be institutional reform. The contents of the treaty are being closely studied in the House, and I am happy to recognise the work of the European Scrutiny Committee and the Foreign Affairs Committee on the detail.

As the treaty is studied in detail, the myths are being exploded. For example, there is the myth that we will lose control of our foreign policy. That will not happen. As the European Scrutiny Committee says,

> "the largely intergovernmental nature of the CFSP and ESDP will be maintained, with no significant departures from the arrangements which currently apply in the EU Treaty".

The right hon. Member for Richmond, Yorks (Mr. Hague) peddles the myth that there is a hidden plot for the position of President of the European Commission to be merged with that of the new President of the European Council—

Mr. Binley: Will the Foreign Secretary give way?

David Miliband: No, the hon. Gentleman must let me finish the point; I was in the middle of a great rhetorical flourish and he interrupted me.

The right hon. Member for Richmond, Yorks peddles the myth that there is hidden plot to merge the position of President of the European Commission with that of the new President of the European Council, thereby creating some sort of tsar of Europe. That is nonsense. The treaty specifically states that members of the Commission cannot have another job in the manner that the right hon. Gentleman suggests.

There is the myth that we have lost control of our criminal justice system. However, as the European Scrutiny Committee says,

> "we accept that the UK retains the final right to choose"

on justice and home affairs matters. There is also the myth that we have lost control of our courts and police. However, the European Scrutiny Committee states:

> "We accept that provision is made for the UK to exercise a right to 'opt in' in relation to measures which amend or replace existing EU measures, to measures which amend existing Title IV EC measures and to those which build upon the Schengen acquis".

Several hon. Members *rose*—

David Miliband: I am spoiled for choice, but on the ground of seniority, I must give way to the hon. Member for Aldridge-Brownhills (Mr. Shepherd).

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Bless the very young Foreign Secretary. However, he has not mentioned the greatest myth of all—the Labour party's pledge to hold a referendum on the constitution. What happened to that? We still substantially have the constitution. Among all the myths that the right hon. Gentleman has found, where are the British people invited to express a view on something that is profoundly important to their future and well-being?

David Miliband: It is the constitution that has been abandoned, and it is because it has been abandoned that we are not having a referendum. The referendums in France and Holland in May 2005 led to a process,

[David Miliband]

and to the constitution being "abandoned". That is not my word; it is the word of 27 heads of Government. Today, the newly elected Conservative Prime Minister of Denmark—a country that has a more far-reaching version of the treaty than we do—said:

> "The Lisbon Treaty does not transfer new powers to the EU, and is an amending treaty that is fundamentally different"—

[Interruption.] Members can laugh at the newly elected Conservative Prime Minister of Denmark, but I would have thought that they would try to learn some lessons from him. He says that it

> "is an amending treaty that is fundamentally different to the Constitutional Treaty. The Government does not, therefore, find it necessary to put the Treaty to a referendum".

[Interruption.] A Member asks from a sedentary position, "What does Giscard say?" I would have thought that the position of today's Prime Minister of Denmark is more relevant than that of Giscard D'Estaing, who for all his distinction is very much a former President of France.

Several hon. Members *rose*—

David Miliband: I shall give way to the hon. Member for Northampton, South (Mr. Binley).

Mr. Binley: I am grateful to the Foreign Secretary for giving way. I want to test his remarks about there being a myth about us losing control of foreign policy, because it seems to me that that is exactly what will happen. It is my understanding that article 19 of the treaty gives the EU high representative the right to represent the EU on the Security Council when it discusses, for instance, Zimbabwe—a subject that we have talked about before—and also that the UK's representative cannot attend that meeting or take part in it. Can the Foreign Secretary tell me why that is not the case? Most experts tell me that it is.

David Miliband: I want the names of those "experts", because their advice is, frankly, embarrassing. Any expert who tells us that Britain's seat on the UN Security Council—whether it is filled by me as Foreign Secretary or by our permanent representative at the UN—is threatened by the fact that the new high representative will be able to address the Security Council is not living in the real world, because the EU is already able to address the Security Council. In fact, under the German six-month presidency in 2006, it did so eight times without any threat at all to the position of either myself, the UK vote or the UK permanent representative.

Ms Patricia Hewitt (Leicester, West) (Lab): My right hon. Friend mentioned the contribution of the new Conservative Prime Minister of Denmark just today. Given the position of the new Danish Government, does my right hon. Friend agree that it is highly unlikely that that political party will join the Leader of the Opposition in the absurd new grouping that he proposes to create in the European Parliament?

David Miliband: My right hon. Friend makes an important point, because the truth is that the Conservative party is not just isolated in this House; it is isolated from all the other Conservative parties across Europe, which should give it pause for thought, as some of them have been decidedly more successful.

Several hon. Members *rose*—

David Miliband: Because the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) championed the milk industry when I was Secretary of State for Environment, Food and Rural Affairs, I shall give way to him.

Daniel Kawczynski: As the right hon. Gentleman knows, that is another issue close to my heart. I understand why he has raised the issue of the Conservative Danish Prime Minister, but he is not comparing apples with apples. Denmark is a very small European country; it is not the fourth largest economy in the world, with a huge military presence. The Secretary of State must not compare Denmark with the United Kingdom; we are a far more important country and we must protect our constitution.

David Miliband: Some people would like us to have a constitution, but whether we have a constitution or not is a separate matter: there is no European constitution. The hon. Gentleman's point about Denmark being small has no relevance at all to how important the treaty is.

Several hon. Members *rose*—

David Miliband: I shall give way, for the last time, to my hon. Friend the Member for Preston (Mr. Hendrick).

Mr. Mark Hendrick (Preston) (Lab/Co-op): I thank my right hon. Friend for giving way. Does he not find it peculiar that Opposition Members, and a few on our own side, wish to bypass the decision-making powers of this Parliament, which they were elected to make decisions in, and back-heel a decision about the European reform treaty to the general public?

David Miliband: As I pointed out when we last debated the subject, every single member of the current shadow Cabinet who was a Member in the House in 1992 fought tooth and nail against a referendum on the Maastricht treaty, which transferred far more powers than this treaty. In 1998, furthermore, the right hon. Member for Richmond, Yorks (Mr. Hague) was warning of the dangers to our democracy from referendums—*[Interruption.]*

Several hon. Members *rose*—

David Miliband: I have been on my feet for 38 minutes, and have tried the House's patience long enough. We will have many more occasions for debating the issue in future—*[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. It is clear that the Foreign Secretary is not giving way at this stage.

David Miliband: The reality is that the treaty gives greater voting weight not to Denmark but to the UK. The treaty reduces the size of the Commission, it ends the rotating presidency of the European Council in favour of a chair chosen by the nation states—*[Interruption.]* Why Opposition Members think that that is a threat to life in Britain I simply do not know. This country is stronger than that.

Several hon. Members *rose—*

David Miliband: Because my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) is my hon. Friend, I will give way to her.

Ms Gisela Stuart: I have the greatest respect for the Foreign Secretary, but when he says that the greater voting weight is significant, will he also concede that as we are giving away a considerable number of decisions where qualified majority voting has been introduced, we now have a greater share of what is in fact much less and actually quite insignificant?

David Miliband: I reciprocate, in spades, my respect for the hon. Lady—*[Interruption.]*—I mean my hon. Friend, my dear friend, but let us go through the moves to QMV. Sixteen of the alleged changes do not apply to the UK, or apply only if we choose to opt in. Twenty offer faster decision-making where the UK wants to see better systems. Let us reflect on them: aid to disaster zones, ending protectionism in transport, protecting British business ideas, strengthening the EU's research and innovation capability. Those are not threats to our constitutional settlement. That leaves 14 purely procedural changes: for example, the operating rules for the judicial appointments panel, how we appoint members of the European Economic and Social Committee, or how we adjust the rules for technical implementation in committees. *[Interruption.]* They are not shaking their heads, but nodding—not nodding off, I hasten to add. We will have plenty of time to discuss these issues in future.

I was saying that for the first time there is a formal role for national parliaments in the work of the EU. Above all, the European Union will, through this treaty, put to bed institutional restructuring in favour of working to deliver on the priorities of the people of Europe. It is right that we shall look at these matters in detail in the new year. It is right that my hon. Friend the Minister for Europe should spend an awful lot of time answering detailed questions, and that I should do that as well, as we go through the details of the Bill. It is right to check all the finer points, but it is also right to expose the central choice—*[Interruption.]*

Richard Younger-Ross (Teignbridge) (LD) *rose—*

David Miliband: No. Should we engage and be influential, or disengage and be marginalised? On the Government side of the House, we are absolutely clear about the right choice.

This week, the European Council will be dealing with the realities, not the myths, facing our countries. From Kosovo to climate change, from economic reform to Iran, the European Union faces important choices. The Government will be playing a leading role in those debates, and the Prime Minister will report back to the House on Monday on the progress made.

5.23 pm

Mr. William Hague (Richmond, Yorks) (Con): I begin by joining the Foreign Secretary in condemning the bomb attacks in Algeria that we have heard about in recent hours. I also echo what he said about our thoughts being with those who have lost their lives or been injured in those attacks. It may be too early to know who caused them, but the manner and choice of the targets seem to be compatible with the north African branch of al-Qaeda. We will no doubt know more in due course, but I hope that the Foreign Secretary will keep the House informed, particularly about any British citizens who may have been caught up in the events.

I also support what the right hon. Gentleman said about Iran and the importance of discussing it at this weekend's Council meeting. There is a need for increased European pressure on Iran over its continuing defiance of UN Security Council resolutions and its enrichment of uranium. Britain and France have called for a stronger European approach and tighter sanctions. That summit is surely an opportunity to try to secure agreement on that.

I also hope—like the hon. Member for Vauxhall (Kate Hoey)—that European leaders will reflect on what happened last weekend in relation to Zimbabwe and Robert Mugabe's attendance at the European Union-African Union summit. It did the European Union no good at all, and has done nothing to lessen the desperate plight of the people of Zimbabwe. I hope, too, that the long list of foreign affairs—global affairs—that need to be discussed this week will include the never-ending tragedy of the people of Darfur. The Prime Minister and the President of France have attached great importance to major progress there, but progress is not materialising on the scale that was hoped for earlier this year, and new momentum is required.

There is also the situation in the Balkans, to which the Foreign Secretary referred in some detail both in his speech and in his written statement to the House today. Tension is again high in the area. The Foreign Secretary has indicated, rightly in my view, that Britain will recognise an independent Kosovo, but I hope he will also ensure that any future recognition of Kosovo's independence by our Government will be based on a commitment by the Kosovo-Albanian leadership to implement all relevant provisions of the Ahtisaari plan—he now indicates his assent to that—particularly the provisions relating to the status of ethnic minorities in Kosovo.

Daniel Kawczynski: My right hon. Friend mentioned Darfur. When I visited the province last week, we were informed by the United Nations peacekeeping forces that they had not been paid since August. Does my right hon. Friend agree that it is vital for the European Union to try to ensure that payment is made as quickly as possible?

Mr. Hague: It may well be necessary to raise that issue, and I suspect that the United Nations and the African Union will need to address it, but I think that the prospective size of the peacekeeping force is of greater concern. It was meant to be 26,000-strong, but nothing like that number have come forward so far.

[Mr. Hague]

Let me return for a moment to the subject of the western Balkans. In his written statement today, the Foreign Secretary said

> "There is a compelling strategic case for enlargement"

of the EU

> "to the Western Balkans"

I agree with that, but I hope—this relates to the point raised by the hon. Member for Rhondda (Chris Bryant)—that the Foreign Secretary will agree with the outgoing war crimes prosecutor, Carla del Ponte, who stated yesterday in her final report that Serbia's full co-operation with The Hague tribunal, which means the arrest and transfer of Mladic, should be a condition in the EU pre-accession and accession process.

As for the situation in Bosnia and Herzegovina, which could be affected by developments in Kosovo, we have called for elements of NATO's operational reserve force to be sent to Bosnia as a preventive measure against any spill-over or challenge to the Dayton peace accords. I hope the Government will agree with us that beyond that initial step of shoring it up during these testing times, Bosnia will need international support for much longer, and that the office of the high representative in Sarajevo should not be closed before Bosnia is safely on the path of EU candidacy.

Mike Gapes (Ilford, South) (Lab/Co-op): Does the right hon. Gentleman agree that now that there has at last been agreement about the policing reform in Bosnia, it is important for everyone to try to minimise attempts to unravel the Dayton process, and for there to be as much stability as possible during this difficult time?

Mr. Hague: Indeed. I believe that guiding our thoughts on Bosnia and Kosovo should be an absolute determination not to allow the unravelling of what was agreed at Dayton. There can be no going back to what happened in the Balkans in the 1990s. A measure of firmness is required on the part of European nations, and I hope that that will continue.

Alongside all those compelling global questions, the House's main preoccupation is, of course, the European treaty that is to be signed this weekend. This debate is traditional, but it is disappointing that the Government have offered no separate debate on the recent report of the European Scrutiny Committee, which resulted in the Committee's exceptional decision to exercise its scrutiny reserve on a treaty and to call for a debate specifically on the document before it was signed. The response of Ministers to that request has been to ignore it.

There has been a pattern in the Government's behaviour this year of minimising parliamentary scrutiny on the issue whenever possible. In June, only days before the treaty was agreed in principle, the Foreign Secretary's predecessor was saying that she was not aware of any negotiations, even between other countries—as if the vast document that then emerged came literally out of nowhere, handed down by some great deity of European affairs with no prior discussion with any human beings.

Michael Connarty (Linlithgow and East Falkirk) (Lab) *rose*—

Mr. Hague: I shall give way to the Chairman of the European Scrutiny Committee.

Michael Connarty: I am sorry for interrupting the right hon. Gentleman's flow, but I must correct him on an important point. The document under scrutiny was the Commission's opinion on the intergovernmental conference, which was then added to by the Government's White Paper on the Commission's opinion. The reform treaty, even in draft, has never been presented to us in this House, which is disappointing. We are not scrutinising that, because we have never been given it to look at.

Mr. Hague: I am sure that that is correct, because it comes from the Chairman of the Committee. It is also correct that the Committee called for a debate in this House specifically on its report before the treaty is signed. That, of course, is the point that I was seeking to make.

Mr. David Heathcoat-Amory (Wells) (Con): The situation is a bit worse than my right hon. Friend described. In May, the Foreign Affairs Committee wrote a public letter to the Foreign Office stating:

> "The Committee regards the refusal of the FCO to provide a Minister to give oral evidence during this crucial phase of the discussions on the future of Europe as a failure of accountability to Parliament."

Is he aware of any other instance when a Select Committee of the House has reprimanded the Government in those terms?

Mr. Hague: My right hon. Friend makes a good point, because that is highly unusual language from a Select Committee to the Government. It was used against the background to which I was just referring, whereby the Foreign Secretary's predecessor said that no negotiations were taking place. Her actual words when she gave evidence to the European Scrutiny Committee on 7 June were

> "that nothing that you could really call negotiations have taken place".

Everyone knew that Sherpas were going around Europe and that discussions were taking place between European capitals.

Richard Younger-Ross: The question put to the Foreign Secretary's predecessor was put by me, and she was clear that no negotiations or discussions had taken place. Under pressure from the Committee it was later confirmed—this Foreign Secretary has confirmed it—that the Sherpas did meet on 24 January, 2 May and 15 May. The right hon. Lady was clearly trying to avoid any questioning about what might have been discussed at those meetings.

Mr. Hague: Far be it for us to think that the Foreign Secretary's predecessor was trying to avoid questioning about what was going on at those meetings. There are only two possible explanations: either she was trying to avoid questioning or she was not aware that the meetings were taking place. I suspect that the former is correct.

Mr. Jenkin: I might be able to help my right hon. Friend on this point. It might have been quite truthful for the previous Foreign Secretary to have told the

House that no negotiations were taking place because the document that emerged has almost entirely the same effect as the one that we are told has been abandoned. So, no negotiations needed to take place because the Government just agreed to everything as it was before.

Mr. Hague: There is a large element of truth in what my hon. Friend says. The sad truth is that the Government agreed to nearly everything that was there before, although negotiations were also taking place. I want to make the point that they were trying to prevent some of the things that have now been encapsulated in the treaty.

Mr. William Cash (Stone) (Con): On that very point, would my right hon. Friend also take into account the fact that not only have these proceedings and this process been conducted in a deceitful manner, but the European Scrutiny Committee said, after we had seen the Foreign Secretary, that

> "we reiterate our earlier comment that the process could not have been better designed to marginalise the role of national parliaments and to curtail public debate"?

In other words, the whole thing has been a charade.

Mr. Hague: I was going to cite that very passage from that report. It is marvellous of my hon. Friend to provide the service of reading out parts of my speech before I have arrived at them. *[Interruption.]* It is also quite unusual.

That is not the only example of such treatment of Parliament. On 25 June, when the former Prime Minister came back to sell the treaty in his last two days in office, he managed some remarkably selective quoting. Reading from the protocol on the charter of fundamental rights, to show—as he hoped—that there would be no effect on British law, he actually missed out the words "Title IV" from an otherwise verbatim passage, so as not to betray the fact that the Government's clarification on the charter, whatever that may turn out to be worth, can apply in only one of the areas that it covers.

The Foreign Secretary himself has set a doubtful example in such matters by refusing to list, in response to my written questions, the areas in which the constitution and the reform treaty are exactly the same—even though other authorities have been willing to do so—presumably because he does not want to concede with his own pen what is a fact: that vast tracts of the constitution have been incorporated as they stood into the reform treaty.

The Foreign Secretary is not wrong about everything. He said on BBC "Question Time" on 8 February:

> "I predict that when I come back on this programme…people will be saying, 'Wouldn't it be great to have that Blair back because we can't stand Gordon Brown?'"

That does make him one of the most far-sighted forecasters in British politics in 2007. The Prime Minister has just spent days dithering over whether to go to the signing ceremony in Lisbon, finally arriving at the bold move of attending the signing but not the photograph. It is no wonder that the Foreign Secretary formed that early opinion of the Prime Minister.

On the Government's approach to frank discussion of the treaty, the Foreign Secretary and his predecessor were at fault. I shall not quote again the passage that my hon. Friend the Member for Stone (Mr. Cash) has already quoted, but I believe it to be true. Even now it is unclear just how much debate there will be in the House of this far-ranging treaty. Ministers have told the press that there will be 20 days of debate, although it would not be difficult to fill far more than that. However, they have not so far been forthcoming on the matter in the House and we look forward to hearing how many days of debate there will be.

The treaty will bring about a profound change in the EU's structures and powers, with major consequences for Britain. One way to illustrate to the House the scale of what is proposed is to look at the wide range of proposals in the treaty to which the Government were themselves opposed in recent years, and even in recent months. As recently as June this year, the Government argued that the high representative or Foreign Minister should not be able to chair the regular meetings of Foreign Ministers or take over the resources of the European Commissioner responsible for external affairs, but both of those things are to happen.

Philip Davies: Does my right hon. Friend agree that if the Government have negotiated such a marvellous deal they have nothing to fear from putting it to a referendum of the British people? Is not the only conclusion that can be drawn that they think either that the public are far too thick to decide such matters for themselves or that the Government would be caught with their trousers down?

Mr. Hague: Well, let me put it in a different way. The Government dare not put the treaty to a referendum of the people because they are not confident of the arguments that they have marshalled in favour of it.

The ability of the high representative or Foreign Minister to speak for the whole EU at the UN Security Council was emphatically opposed by the Secretary of State for Work and Pensions, the Government's representative on the European convention when it started its deliberations. He tried to water down the provision to the Foreign Minister being able only to request to speak for the Union, but the original proposal is in the treaty.

The self-amending nature of the treaty was also opposed by the Government, with the White Paper in 2003 firmly opposing any further moves to qualified majority voting without a fresh treaty. But today, the ability to abolish further national vetoes without a new treaty is there in black and white.

Mr. Denis MacShane (Rotherham) (Lab): Does the right hon. Gentleman accept that it was Margaret Thatcher in 1984 who first called for the European Community to develop an integrated foreign policy? She took the lead in that, and in the Single European Act in 1986 she also supported the idea of self-amendment when supported by unanimity. Why does the right hon. Gentleman sound like a ranting Labour Europhobe of the 1980s?

Mr. Hague: Actually I was repeating, more or less word for word, what the right hon. Gentleman said in the Standing Committee on the Intergovernmental Conference. He said:

> "We think that a self-amending constitutional treaty does not make a lot of sense".

Mr. MacShane: As the right hon. Gentleman knows, some of us are becoming more Thatcherite as the years pass; he is becoming less so.

Mr. Hague: Well, what a revelation! I am glad that the right hon. Gentleman concedes the point. When he was Minister for Europe, he said:

"It may help the Committee"—

that is, the Standing Committee—

"to know that, when I discussed the matter with my French opposite number, she thought that the so-called passerelle clause would need amendment before it would be acceptable to France."—[*Official Report, Standing Committee on the Intergovernmental Conference*, 20 October 2003; c. 20.]

That was the right hon. Gentleman, rather than Thatcherites of the 1980s, stating his opposition. If he would like to intervene in an equally helpful way at any other point in my speech, he is most welcome to do so. The ability to abolish further national vetoes without a new treaty—something that he himself opposed—is now there in black and white.

Ms Gisela Stuart: I thoroughly agree with the right hon. Gentleman: the passerelle clause was bad and unacceptable. However, may I have his view on a different proposal? What if the British Government said no to a further extension of qualified majority voting unless prior primary legislation came before the House? Would Conservative Members support that?

Mr. Hague: The issue very much requires that kind of commitment. The Government said that they would hold a parliamentary vote, but they have not said that primary legislation will be required. Of course, the hon. Lady must understand that we are opposed to the treaty, and we call for a referendum, but if the Government are in any way trying to mitigate what they have signed up to, they should at minimum be offering full legislation, and not simply a parliamentary vote. We could go on with the list of all the things that the Government opposed, but to which they have now agreed.

Mr. Jenkin *rose*—

Mrs. Dunwoody *rose*—

Mr. Hague: I must proceed, but first I will give way to the hon. Member for Crewe and Nantwich (Mrs. Dunwoody); I have already given way to my hon. Friend the Member for North Essex (Mr. Jenkin).

Mrs. Dunwoody: I am grateful to the right hon. Gentleman. I do not intend to keep him long. Is he aware that we do not need any kind of change, because as we have recently seen with Galileo, it does not matter what the House of Commons thinks about particular items, if our views are to be totally ignored through the use of qualified majority voting?

Mr. Hague: On the particular matter that we are discussing, unanimity is required to abolish further vetoes, and I suppose that it would be possible to build into the procedures of the House further safeguards on that. However, in respect of many other matters, what the hon. Lady says is quite right.

The Government opposed many proposals: the election of the Commission President by the European Parliament, the setting-up of a European public prosecutor without a right of veto over it, the enshrining of competition policy as an exclusive competence of the EU, the definition given to employment, public health, transport networks and consumer protection as shared competences, the articles on the EU's power to co-ordinate employment and economic policies, the establishment of QMV on proposals made by the EU Foreign Minister, the references to a common defence policy, and the definition of policy on foreign direct investment as an exclusive competence of the EU. All those measures are in the treaty that the Government are about to sign, but all of them were opposed by the Government.

Angus Robertson (Moray) (SNP): Will the right hon. Gentleman give way?

Mr. Hague: Yes, but then I really must get on with the rest of my speech.

Angus Robertson: The right hon. Gentleman has been very generous. He talked about enshrining policy areas as exclusive competences. Among them is the common fisheries policy. Can he think of a single positive reason why that change should take place, and does he agree that it is bad for Scotland, and that it effectively precludes the likes of Norway and Iceland ever joining the European Union?

Mr. Hague: The fisheries policy has been a catastrophe in many ways. It has been an environmental and economic catastrophe for this country and many others. It would greatly extend my speech if I were to go into more detail on it today, but criticisms of it are well founded.

Above all, the Government were adamant in 2000 that no European Court of Justice jurisdiction over justice and home affairs could be accepted; they said that it would

"raise sensitive issues relating to national sovereignty",

yet now they maintain that all those things, which they opposed, can be signed away without any damaging impact on national sovereignty. That is even before we come to what Ministers say are their red lines. It is clear that they spent so much time retreating over so many lines in the sand that they can no longer even remember where or what they were.

One by one, the Government's arguments on the treaty have been knocked down. First, they said that it was quite different from the constitution, and they made reassuring noises. The Foreign Secretary talked about the Conservative Prime Minister of Denmark. He should know that the Danish Prime Minister belongs to a party that is in the Liberal group in the European Parliament, so it is a doubtful proposition that he will persuade Conservative Members to agree with his argument, on the basis that they would be agreeing with the Liberals.

Secondly, the Government said that the treaty is different from the constitution, because

"the constitutional concept...has been abandoned".

The European Scrutiny Committee pointed out in an earlier report that it considered that

"references to abandoning a 'constitutional concept'...are...likely to be misleading in so far as they might suggest the Reform Treaty is of lesser significance than the Constitutional Treaty."

Yesterday, another of the Government's arguments—that we desperately a need a new treaty to avoid institutional standstill after EU enlargement—was knocked down by yet another study, this time by the London School of Economics, which found that

> "the 'business as usual' picture in the EU is more convincing than the 'gridlock' picture as regards practice in and output from the EU institutions since May 2004."

The truth about the treaty is that it is not actually necessary. The Government have therefore been forced to say that it does not pose a problem, because all their negotiating objectives have been reached.

Mr. Hendrick *rose*—

Mr. Hague: I will not give way for the moment.

In addition, the Government argue that Britain has a bespoke version of the treaty, because of the so-called red lines.

Mr. Hendrick: Will the right hon. Gentleman give way?

Mr. Hague: No, I have given way a lot. I wish to advance the rest of my argument before allowing other hon. Members to speak.

On each of those so-called red lines, the European Scrutiny Committee's latest report is persuasive and damaging to the Government's case.

Mr. Hendrick: Will the right hon. Gentleman give way?

Mr. Hague: I think that I have made the position clear. I do not say things and not mean them.

The Committee found that control of tax and social security was never seriously threatened, confirming our view that the whole purpose of that red line was just a bit of spin. On foreign policy, it found that the treaty

> "extensively modifies the existing EU Treaty provisions on CFSP and adds almost all of the proposals in the Constitutional Treaty,"

as well as

> "an ever increasing degree of convergence of Member States' actions."

The Government's declaration on foreign policy has already been exposed as legally meaningless, and the Committee has confirmed that the EU's powers in foreign policy will be expanded. Given that expert witnesses have confirmed to the Select Committee on Foreign Affairs that the only changes in foreign policy between the EU constitution and the treaty are a change in job title for the EU Foreign Minister and the existence of a new declaration that is not legally binding, that red line is thoroughly discredited.

Ministers' claims that they won an opt-out from the charter have been dropped, to be followed by an admission that it is merely a clarification of how the charter would apply to Britain and that the charter will be legally binding. The European Scrutiny Committee said:

> "It…seems doubtful to us that the Protocol has the effect that the courts of this country will not be bound by interpretations of measures of Union law given by the ECJ and based on the Charter."

Mr. Hendrick *rose*—

Mr. Hague: If the hon. Gentleman behaves, I will give him a chance to intervene towards the end of my contribution. *[Interruption.]* We will make a deal.

In other words, the charter can be circumvented. Once again, another Government red line is exposed as more cosmetic than effective. On justice and home affairs, the Committee reiterates the important point that

> "the powers of the Commission and the ECJ are considerably increased when matters move from the Third Pillar to the First".

It gives more details and, doubtless, other hon. Members will deal with that subject at greater length. In the interests of time, I will desist from doing so, but it is a fundamental point. It was one of the most important features of the original Constitution that criminal and civil justice and policing would no longer be intergovernmental matters, and the red line does not change that effect in any way. The Foreign Secretary will be aware of the Committee's stringent criticisms of the Government's failure to ensure that, unlike Denmark, our position vis-à-vis existing agreed measures is secure. The Committee concludes that

> "under the system to be established by the Reform Treaty, a Member State will lose the ability finally to determine its own law"

on justice and home affairs—

> "to the extent that measures are adopted at Union level".

These conclusions must be taken seriously. They come from a Committee that has a majority of the governing party in the House. Each of the Government's red lines is in turn exposed as weak or worthless. The last of Ministers' arguments that the treaty is significantly different from the EU constitution has been demolished.

In any other field of policy, it would be thought perverse to hand more responsibilities to a body that cannot properly manage those that it already possesses, yet that is what Ministers propose to do. This is the 13th year that the Court of Auditors has refused to sign off the EU's accounts. Year after year, the European Union fails to look after taxpayers' money to the standard that taxpayers have every right to expect. It is time Ministers took more action over that than they have in recent years.

The abolition of national vetoes—69 by one account, and 50 by the Government's latest tally—is another important issue. It is astonishing that Ministers are so blithe about it when they are even now fighting a desperate rearguard action on the temporary workers directive, whose red tape would, according to the CBI, endanger 250,000 jobs. The Government are finding it very hard to keep a blocking minority together, but they need a blocking minority only because this area is an EU competence and subject to qualified majority voting, both of which are a direct consequence of the abandonment of our opt-out from the social chapter in 1997.

On the single market, the reform treaty—in this context, surely an ironic name—is not just a step back from the current treaties, but even a step back from the constitution as it was drafted. The EU has some great achievements to its name. Enlargement is one, and the success of its competition laws is another. But by allowing the French Government to downgrade, for the first time, undistorted competition in the internal

[Mr. Hague]

market from one of the EU's chief objectives to a mere protocol must be one of the most remarkable examples of a British Government being asleep on the job at a summit since we joined the European Union.

As a report by the Centre for European Policy Studies, which is hardly a Eurosceptic outfit, states,

> "far from being a minor technical adjustment . . . the excision of the competition principle from the front of the Treaty is likely to have a number of damaging consequences for EC competition law. There is a real danger that in future EC competition law will be cribbed, crabbed and confined."

That is not a proud achievement by the British Government.

I give way to the hon. Member for Preston (Mr. Hendrick).

Mr. Hendrick: I thank the shadow Foreign Secretary for giving way. He has given 101 reasons why he is opposed to the treaty. After the treaty is passed by the House and another place—*[Interruption.]* Is the right hon. Gentleman saying that if or when the treaty is passed by this place and another place, and in the strange circumstances in which he might one day be Foreign Secretary, he would hold a referendum on a treaty already passed by the House?

Mr. Hague: I know that Labour Members are showing ever-increasing interest in what happens under a Conservative Government. After the past couple of months, that is not surprising. It has become a far greater likelihood. The background to our approach is what I set out last month, and I will not go further than that today. The hon. Gentleman is asking me to anticipate the Conservative manifesto at the next election. He will find out about that in due course.

Not just Britain's but the whole European Union's economic competitiveness will suffer as a result of the incompetent handling of the negotiations about competition policy.

Mr. Davidson: Will the right hon. Gentleman give way?

Mr. Hague: I will, because I am worried about what the hon. Gentleman's Whips may have done to him.

Mr. Davidson: I am grateful. Does the right hon. Gentleman agree that there is an inconsistency in the Conservative position? They were opposed to a referendum on Maastricht, and now they are in favour of a referendum on Lisbon. Does he agree that that inconsistency is mirrored by my own party, which was in favour of a referendum on Maastricht and is now against one on Lisbon? Is it not the case that the only consistency is that whichever party is in government is afraid of the voice of the people, that only a few brave souls like myself have been consistently in favour of a referendum, and that on this issue the Government do not have even a single leg to stand on?

Mr. Hague: We all wish to congratulate the hon. Gentleman on his bravery and on being wiser and more consistent than almost anyone else in the House. That is to be lauded, but the consistency that is required is that when a party solemnly promises a referendum to the people in a general election campaign, and then wins that general election, it should honour the promise to hold a referendum.

Mr. Shepherd: Will my right hon. Friend give way?

Mr. Hague: I must conclude my speech. I have been speaking for more than half an hour. I want to deal with one point that the Foreign Secretary made, and then conclude my remarks.

The Foreign Secretary referred to the possibility—he thought it was a dark plot of some kind—*[Interruption.]*—he thought that I thought it was a dark plot—that the positions of President of the Council and President of the Commission might be combined. As he knows from my recent letter to him, the Government's White Paper on the IGC of July stated that the posts of President of the European Commission and the new post of President of the European Council could not be held by the same person.

The post of the new EU President of the Council is bad enough. Instead of nation states taking it in turns to chair meetings, a single, central powerful figure would be in charge of the EU's agenda. The danger if that were combined with presidency of the Commission is obvious.

The Foreign Secretary wrote back to my recent letter to claim that the article forbidding members of the Commission holding any other occupation would prevent such an outcome. He did not use that exact word in the debate today, but the wording is that they cannot hold another occupation, but of course an occupation is not the same as an office. The Secretary of State for Defence holds another office, but he does not hold another occupation.

It should be noted that the High Representative or Foreign Minister of the Union will be a member of the Commission, so saying that the treaty precludes members of the Commission from holding any other office in the European Union does not seem to hold water. However, if the Foreign Secretary wishes to give the House the categoric view for the future that that is impossible under the treaty, we will be grateful to receive that assurance.

David Miliband *rose*—

Mr. Hague: If the right hon. Gentleman wishes to tell the House that it is impossible for that to happen, we will welcome that assurance.

David Miliband: As I said in my speech and in my reply to the right hon. Gentleman, which sadly did not get as much coverage as his original letter to me, despite my request to him to give it such publicity, article 213—the number may be changed—is categorical that the two posts cannot be combined. A man or woman holding a post in the Commission cannot have another post.

Mr. Hague: What the treaty says is that they cannot hold another occupation. The Foreign Secretary did not quite give the reassurance that I asked for. When I have discussed the matter with Foreign Ministers of some other European nations, their interpretation is not the one that he has given.

David Miliband: Which ones?

Mr. Hague: I do not want to dampen their relations with the Foreign Secretary by revealing their names.

It is worth remembering that no one in the House has any democratic mandate from the British people to agree to the treaty. All three main parties stood on manifestos promising the British people a referendum on the constitution. No one's manifesto said that there would be a referendum on the EU constitution, but if another country voted no in their referendum the British referendum would be scrapped, the Constitution would be given a new name and a few tweaks, and the treaty would be shoved through without the British people being given any say on it at all. But that is the extraordinary thing that Ministers are proposing.

The whole story of the treaty has been of the Government's failure of leadership, in Europe and in Britain. If Ministers are to be believed, they never wanted the constitution or the treaty. They were defeated time and again in the negotiations. Of the 275 amendments that the Government tried to make to the original constitution text, only 27 were accepted. Now they have accepted a treaty that practically the whole of Europe agrees is only cosmetically different from the constitution, and which they dare not put to the British people.

Everyone knows what the Government are up to. No one seriously believes that the treaty is significantly different from the constitution. Some, like the constitution's chief draftsman, about whom the Foreign Secretary was rather dismissive earlier, Valéry Giscard d'Estaing, cannot stop pointing that out. After the October summit he told European newspapers that

> "the difference ... is one of approach, rather than content".

Last month he told the BBC that

> "you wouldn't be honest to tell the British voters the substance of the text has changed—because the substance has not changed".

He has written with satisfaction in his blog that the constitution's

> "essential points ... reappear word for word in the new project. Not a comma has changed!"

Everyone knows what is really going on. No impartial commentator thinks that the Government are up to anything other than a cynical and calculated manoeuvre to avoid holding a referendum. Ministers have neither the courage to fight an election, nor the courage and honour to keep their own promise of a referendum. Once again they are happy to treat the people of this country like fools, and the British people deserve better than that. Trust and confidence in the Government are draining away. There remains one notable way for the Prime Minister to repair some of the damage—to honour his promise of a referendum. We will see if he has the courage to admit that he was wrong, act like a statesman and give the British people the chance to have the say that we all promised them.

6 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): In one way I am disappointed that we are having another general debate on European affairs and not being given a full debate on the reform treaty. I believe that there is a technical term for this—it is not one that I knew before I came to Parliament—and that is "frit". The Government are frit to have a debate on the issue that really is at this moment at the heart of Europe. We have a term for it in Scotland, which the Minister for Europe will recognise, and that is "feart". I cannot understand why the Government are in that position: it is clear that a reform treaty debate would have allowed the Government and people such as myself who have looked at the treaty to talk about its contents and structure, but again to argue on the front foot for a European treaty that takes us where that treaty will take us. We could agree on what the treaty will do, and still debate whether it is a good or a bad thing. But in the context of a general debate on European affairs, it becomes somewhat lost.

However, at least we are having a debate on European affairs, and I make no apology to the House for raising an issue that is not the reform treaty as my first point today. We should have debates such as this on general matters going to the European Council, but we should also have had a formal debate, as the Lords were brave enough to do on the reform treaty.

The issue that I wish to raise first is the working time directive and the temporary agency workers directive, which will be reported to the European Council as a failure. This was a chance for the working people of Europe to see advances in their terms and conditions of employment and for protection to be brought in for the poorest and most exploited workers in Europe. In my analysis as a Labour party member, the UK Government are found wanting on the working time directive. We did not want the abolition of the opt-out after three years, as originally proposed, and we did not want to have an absolute cap on the working week of 55 hours, but negotiations broke down in 2006. The matter came back to the Portuguese presidency on 5 December with the proposal that there be no expiry date for the opt-out, which would have been beneficial to the Government and possibly to the Opposition, who have not been to the fore defending workers' rights either when they were in government or in opposition. But there would be an absolute cap on the working week of 60 hours, which is a long week for anyone to work, but is a regular working period for many in the poorest sections of our community, in the hospitality industry and elsewhere in Britain. So there was no agreement on that, and that is disappointing.

With regard to the temporary agency workers directive, the Lisbon agenda said that there would be freedom and liberalisation of the markets and in the private sector, and there would also be liberalisation of labour markets. We have exploited that and used it to our advantage, and we have low unemployment because of it. The problem, however, is that people who work in agencies, not just under gangmasters but for any agency, find that they do not have the same terms and conditions of employment as people working alongside them. The worst example is in the telecoms industry, where members of the union of which I am the secretary in the House—although not a member of because I took that interest on from my predecessor who was a postman—tells me that people from agencies working alongside its members in call centres have not had a pay rise in five years, whereas those who work on a proper contract with an employer, whether it be an agency, BT or other call centre organisations, have regularly negotiated wage rises and all the other benefits that come with that.

[Michael Connarty]

There was a proposal that we should bring the measure in for everyone, and we have seen the negative effect of not doing so. We have seen people coming by invitation, particularly from the A8 countries, to join our work force, and being offered agency work status, and then British workers being told that if they wished to work in a certain place of employment they would be made redundant but could then join the agency under the same terms and conditions of employment as those people coming into the country, without the benefits of organised trade unions. Winston Churchill said that without the minimum wage bad employers undermine good employers, and the worst employers undermine the bad employers. That is what is happening in this country at the moment because we do not have the temporary agency workers directive.

Mr. Cash: Does the hon. Gentleman know that today, in the case of the International Transport Workers Federation, the European Court of Justice has made a ruling which it is said extends or moves into the right to strike? Does he not recognise that that is one of the contentious issues within the charter of fundamental rights, and it demonstrates everything that we have said in the European Scrutiny Committee report, namely that the charter of fundamental rights cannot be guarantee in relation to the ECJ?

Michael Connarty: I will come back to the charter of fundamental rights, because there are lessons there for the trade union movement. I will also have some comments to make that may be read by senior members of the trade unions who appear not to be listening to any other avenue through which I have spoken to them about the charter of fundamental rights, despite my long history of trade union membership, and some leadership positions in trade unions in Scotland.

The temporary agency workers directive would have required employers to give agency workers equal treatment and created a framework for the use of temporary workers that would be conducive to job creation and contribute to the development of flexible working. That is what the Lisbon agenda said about the need for such a directive.

The great problem was how long it would take for the EU Governments to implement the directive. The derogation asked for by the UK Government was five years. The UK also wanted one of the longest periods for a sunrise clause. Temporary agency workers would have to work for 12 months before they had these rights. Other proposals, including that of the Portuguese Government, whose people have been exploited on entering the EU, were for six weeks.

Instead of a compromise on those two directives, which were taken together, both being for the good of workers, no agreement could be reached. I believe that there was a blocking minority of the UK, Germany, the Netherlands and Ireland—all countries on the plus side of employment—the ones with booming economies whose people do not have to travel outside their own countries for employment. That was a great disappointment to me. The TUC said:

> "This is a bad day for working people throughout Europe."

I will come back later to why I think the TUC's decision on the treaty, particularly based upon its analysis of the charter of fundamental rights, was also a bad day for working people throughout Europe.

I do not speak today as the Chair of the European Scrutiny Committee; I hope to take a wider view. Of the EU reform treaty Bill referred to in the Queen's Speech, it has been said that Parliament would have full opportunity to scrutinise the treaty in detail—not yet, it would appear, but that was the promise—that the treaty would move the European debate on from inward-looking institutional questions to focus on real issues that actually matter to the people who live in the member states, and that the treaty would set in place a series of sensible institutional changes to help make the EU of 27 member states work more effectively.

The treaty will do a number of those things. It was important to get an institutional change that allowed us to move from pre-Nice to post-Nice to the position where we had 27 Members. That is encapsulated in the treaty; it is fundamental, and I do not think that anyone would disagree about it. Whether it had to be contained in this treaty is probably a major issue. Will it move us to the point where we will focus on real issues?

Every week the European Scrutiny Committee deals with matters that the Minister for Europe is discussing with his colleagues, and matters that other Ministers—Transport Ministers and Environment Ministers—are discussing with their colleagues. Every week we produce a hard-bound report of all the briefs that we consider, although I am sorry to say that those reports do not get much attention. Sometimes we send them for debate; we are trying to sort out the structure for the European Standing Committees so that the debates are back on the agendas of the private sector and civil society of this country. Just last week I spoke to a group of business people through the Industry and Parliament Trust. They said, "We no longer know who to write to. We no longer know who is on the Committees or who we should send our briefs to, because of the collapse of the scrutiny process."

The problem with the treaty is that it will be a festering sore until the Government lance the boil. They could have started that process with a debate on the reform treaty. We could have got beyond the institutional structures and argued, as I may later, that having some of the changes opposed by the Opposition, such as qualified majority voting on different areas, and accepting that the European Court of Justice and the Commission will be given final jurisdiction over the implementation of European laws, will have the benefit of those laws being implemented throughout Europe—not being denied by any part of Europe, but being available to all our businesses and citizens and all citizens of Europe when they come to this country. However, we will never get beyond certain issues because the Government appear to be hiding among a maze of red lines and superstructures that they have constructed above them. That is a great disappointment.

Mrs. Dunwoody: If my hon. Friend's Committee had the power to table an amendment to the papers that it considered and to have that voted on to get a resolution capable of being referred to the Floor of the House, that would solve a great many problems—not only from his point of view, but in respect of monitoring what happens in our name in the European Union.

Michael Connarty: I cannot think of a stronger advocate for more powers for the Committee. At the moment, the Government and their Ministers just see us as a bit of an annoyance. We have been crawling all over them and doing our job properly and that can sometimes be tedious. Someone said to me recently, "I m fed up with writing you letters." I should say that it was said jovially, but underneath it there was a bit of truth. We do not apologise for that or anything that enhances scrutiny. I shall come later to questions of how to deal with the opting-in process; that must be discussed on the Floor of the House if the process is to have any credibility.

Let us look at the Lisbon treaty from the perspective of the European Parliament's Constitutional Affairs Committee's report on it. First, there was the statement made at the conference on the future of Europe that I attended last week: let us accept the fact that 95 per cent. of European laws and decisions will be made under the European co-decision making process. That will give the European Parliament a say and the power to amend in 95 per cent. of cases. That is a fundamental, massive change, and I might argue positively for it. The one thing that used to worry me about Europe was that it involved a Commission and a group of bureaucrats and that there was no democratic say. The Parliament had the right to speak but no right to change, amend and have any power. If the conference statement is a good thing, it should be argued for.

The European Parliament report says that the Treaty of Lisbon is a

> "substantial improvement on the existing treaties"

and that it will provide

> "a stable and lasting framework"

for the work of the EU. The report endorses the treaty and expresses the hope that all member states will ratify it. It states that the treaty will provide more democratic accountability, including greater scrutiny powers for the European Parliament, and that Council meetings will be in public, the new budgetary process will require Council and European Parliament approval, and that future revision of the treaties will be carried out by a convention. That means, of course, that the passerelle clause will be used in a number of cases. All Governments would have to agree unanimously to pass over to qualified majority voting areas of policy that do not use it at the moment.

The report also mentions more rights and clarity for citizens—for example, through the European institutions being bound by the charter of fundamental rights and the European Union acceding to the European convention on human rights. The latter point is important; the EU would suddenly become controlled by the convention. The EU itself has not been, although Governments have. The report also introduces the idea of a European citizens initiative; I heard that debated at length last Monday and Tuesday but still do not know what it means. How would citizens get together so pressurise that great bureaucracy? Last week, I also heard statements again and again—including from the rapporteur Richard Corbett, of the Party of European Socialists, and a member of the Labour party. He did not think that the yellow and orange cards would be workable; he said that they would never be used, and many echoed that in last week's debate. So according to European parliamentarians, those supposedly great powers given to the national Parliaments would never be triggered. That worries me greatly.

Ms Gisela Stuart: Does my hon. Friend accept that the citizens initiative, which as he rightly says is completely unworkable and gives rights to citizens that we do not even give to Parliament, was introduced so that some countries could avoid the need for a referendum? It could be said that the people had a direct voice, even if it did not amount to anything.

Michael Connarty: The dialogue was interesting. Some members, particularly people from the Alliance of Liberals and Democrats for Europe—and particularly Mr. Duff, who chaired and steered the sitting every way, as long as it was his way—said that the national Parliaments should focus on telling the European Parliament what they thought, and that it would then try to tell the Commission and the Council. I do not think that that is the role of national Parliaments, which should focus on making their Governments go to the Council and agree the right thing.

We have arrived at a new place, which may be interesting, although I am not sure how it will work.

Mr. Davidson: May I seek clarification? If in future 95 per cent. of legislation that comes through Brussels will be consulted on with the European Parliament, what percentage of that legislation will be consulted on with this Parliament?

Michael Connarty: That will depend on the Government's attitude to the role of Parliament. When the Government go to the Council, the European Scrutiny Committee is involved, and European Standing Committees can be involved if they can get the interest of Members of Parliament. However, at the moment I do not think there is a mechanism for Parliament to tell the Government what to do. My hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) made exactly that point: if resolutions could be tabled and voted on, we might feel that matters of substance were being debated in the House and its Committees.

Mr. Davidson: The answer is no then, is it?

Michael Connarty: The fluidity of the British constitution is such that what appears to be a system of persuasion and cajoling can be more effective than the concept of mandating. Governments find ways to get round the mandate; we have seen that on a number of occasions in those rigid forums.

Mandating is attractive to people when they are out of office. I cannot imagine having a telephone conversation with a Minister of another party asking me, "Is it all right if we agree this?" It is difficult enough to get the ear of my own party; getting the ear of an opposing party might be even more difficult.

Let me add the final analysis of the European Parliament report. It said that there would be greater effectiveness in law making and that the number of areas subject to qualified majority voting would be increased. It is clear about that. It said that having a two and a half year standing President would give more coherence, and I agree. It said that there would be

[Michael Connarty]

a reduction in the number of Commission members; I hope that everyone would agree with that. It also said that the EU would be able to act as one in external relations and that the pillar structure would be abandoned. That abandonment leads to some of our deep concerns about civil and criminal justice.

I turn now to the fundamental issues. I hope that people will read what we have said in our reports. As I believe that we have shown in the annex to our 35th report, every provision of the constitutional treaty, apart from the flags, mottos and anthems, is to be found in the reform treaty. We think that they are fundamentally the same, and the Government have not produced a table to contradict our position.

The next issue is that of opting in and additional votes. The concept of the opt-in that we have is an odd trap that the Government have set for themselves. When I asked the previous Prime Minister at the Liaison Committee what the four red lines were, and what we would have to do so that we did not have to have a referendum, he referred to the protection of the UK's labour and social legislation and so on, but he used the words

"the control of the UK's civil and criminal legal system"—

the common-law system of police and judicial processes. The White Paper responding to the Commission's report on the intergovernmental conference changed that to:

"Protection of the UK's common law system and the police and judicial process".

It is much more difficult to protect than to control. If we are controlling, all we need to do is to say, "We've got control of it; we'll give it up tomorrow, or the day after." If we are protecting, we are saying that we do not give it up—that we do not move away from the position that we have at the moment whereby we have opted in, as the Foreign Secretary said in evidence to us, to 70 or 80 areas. We still have final jurisdiction over how the system is applied in the British courts. It is not controlled by the final jurisdiction of the European Court of Justice and the Commission, which can take infraction against any country that does not apply ECJ decisions.

In the annex to our third report of Session 2007-08—wonderful things, these annexes—we list all the areas that we have already opted into that we were not in originally but we have gradually opted into, but only on condition that our courts will finally judge how they will be applied. We are told in article 10 of protocol 10 that over five years there are 70 or 80 areas—I do not know whether they will all be put together in a bundle—where we will have to make a decision whether to give up the right of the British courts to judge these matters, and opt into them when they are changed into what is now called the Community method—qualified majority voting.

That is a worry that the Government have never clarified. How will it be done? Will some Minister send an explanatory memorandum to our Committee buried in lots of other EMs from the Council, with possibly a debate—or 70 or 80 debates—in a European Standing Committee, or will the Government simply go and agree it and then tell us, "Sorry, we've done it—we've probably broken the scrutiny reserve but we can't do anything about it because it's all signed up to now"? I have to say that that does not happen as much now as it used to—the Government are getting better about it.

It is a real worry for us that that process has not been clarified. I asked the Prime Minister and the Foreign Secretary, but we did not get a clear response. Will it be included in the EU reform treaty Bill so that we can decide in Parliament what the procedure would be? The Government are duty bound to give us that right. Every time they want to give up protecting the civil and criminal justice system, as they put it, they must present it to this House. Sometimes I might say that I would like to stay in an area that we have opted into—for example, the European arrest warrant, which worked very well when we got back, within three or four days, one of the people who perpetrated the 7 July bombing.

We have got such people back because we did not have to go through the old process of looking for people to repatriate them to their own countries. That was a very good thing. In that case, we could argue that we should stay in and take the consequences. ECJ jurisdiction will apply, and if anyone breaks that, the Commission will decide to take infraction against them. On other issues, we might decide that we want them to remain within the jurisdiction of the British courts. As we showed, that is also a consequence of articles 62 to 69, which are all new areas that we can choose to opt into. That also applies to every amendment. There have been amendments to previous agreements, and we have had the right to choose whether to opt into them. There are consequences if we do not opt into them—mainly that we have to walk away from the agreement altogether.

Richard Younger-Ross *rose*—

Michael Connarty: I am going to finish this point before I take an intervention.

The Danish Prime Minister decided that it was all right for Denmark because Denmark does not have that problem—it is secured. Our third report of the 2007-08 Session shows that the Danish had an agreement whereby if they decided that they did not want to opt in, they would remain with the status quo; the issue would still be under the jurisdiction of the Danish courts and they would not have to walk away. They had an agreement whereby they could keep what they had or choose the new arrangement. We could not understand why our Government did not get the same agreement, and we said so in our report. We are a much bigger country than Denmark, so why did we not have the leverage to say, "We'll keep what we have, and if we like what you offer we'll opt into that"? I cannot understand that at all; I have never been able to explain it to myself or to my Committee.

Richard Younger-Ross: The hon. Gentleman is an excellent Chairman of the Committee—I hope that my saying that does not ruin his progress—and he is making some excellent points. Is part of the problem the fact that Ministers do not wish to come to this House for decisions to be made, because they wish to make decisions in smoke-filled rooms so that they can trade off a policy that they wish to see go through against other policies? Did not the former Minister for Europe go as far as saying on the record that they were even prepared to agree to proposals with a questionable legal basis if they could get something that they wanted in return?

Michael Connarty: That is a factual statement. The previous Minister for Europe, who is now our Chief Whip, has said that that is how deals are done. I do not know whether other Members who were in previous negotiations accepted that that was how Europe works—that sometimes people give in to something that they are not quite happy with on the basis that they are storing up good will for something coming down the line. That is on the record in one of our evidence sessions, and it was a revelation to me.

The Committee cannot understand why, when the text finally came out following the process of negotiations, it contained the word "shall". It said that under article 8, Parliament "shall" participate in institutions of the European Union. We objected to that and asked why the Government did not negotiate to put in the word "may". They said that the French word, "contribuant", means that the action is ongoing, but we talked to French Members, who said, "No, that means, 'You will contribute'". We understand that France took a strong position on this. They did not want to take out the word "shall" and put in the word "may". The wording now is that Parliaments "contribute to" or "participate in". The legal judgment of our officials is that that will be used by the ECJ to say that the Commission, if it wishes to in future, can take infraction against any Parliament that refuses to participate in any part of the EU's institutions. That is a very negative aspect. We expressed that view to the Government and suggested that they seek that amendment, but they did not secure it. On Monday, I asked President Barroso why we should not insert the word "may", and he gave the same interpretation as the Portuguese Foreign Minister—that the article imposes no obligation on national Parliaments and is purely declaratory in nature. If that is the case, why not put in "may"?

I apologise for going on for so long, but I want to turn to one final matter before I conclude. When we did not get the agency workers directive, the TUC said that it was a bad day for workers throughout Europe. It was also a bad day when the TUC concluded that the charter of fundamental rights would not be applicable because of the Government's assertion that it was tied up in the agreements, opt-outs and red lines, so working people would not be able to gain in their terms and conditions of employment or in any other matters related to the charter.

I think that the TUC did everyone a great disservice there. I have to ask people in the great unions, such as Tony Woodley of the Transport and General Workers Union or Derek Simpson of Amicus—both sections of Unite, the union of which I am a member—or Mr. Kenny of the GMB, why they did not realise that if they campaigned against the treaty and called for a referendum that led to its defeat, it would be denied to 26 other countries, whose working people and civil society wanted the charter of fundamental rights. I cannot understand a movement of working class solidarity that uses such a technique, and says, "If I can't have it, I'm taking their ball and going off the park, and you can't play."

Kate Hoey: I accept what my hon. Friend says, and I understand the thrust of his arguments. However, would he not agree that, just as the Labour party could have argued for the social chapter even if it was not going to sign up to Maastricht, a country retaining control of what it wants to do could bring in such legislation without having to do so through the mechanisms of the bureaucracy of the European Union, if it needed to?

Michael Connarty: Possibly, because I am not a Eurosceptic. I voted yes in the original referendum on Europe. I had more insight than the Minister for Europe who did not vote. *[Interruption.]* He was too young. On his behalf, and on behalf of future generations, I voted yes, because I believed—and still believe—that the European project brings more for the people of this country, alongside the other peoples of Europe than it loses. I have absolutely no doubt about that, and I cannot understand a labour and trade union movement so churlish that it spitefully decides it will turn its back on solidarity across Europe because it wants a scrap with the Government. That was a great disservice to the people, partly because the unions in question did not wait for our report.

The report points out that the charter of fundamental rights will be used again and again—I presume that Conservative Members do not like that—by civil society and by working people. They will use other things, such as the agency workers directive—when we get it—and the fully implemented working time directive. The charter will be used alongside those directives to challenge any Government, including this one, or any future Government, who deny people the same rights across Europe.

We are clear in our analysis. The Government have said that this is not an opt-out from the charter of fundamental rights. I hope that the trade unions will realise the great benefits to be gained and will campaign in support of the implementation of the treaty. Even though I have differences of opinion about implementation and about the impact of each section of the red lines, I have no doubt that the treaty should go through the parliamentary process. It is a difficult treaty. It has 150 clauses and it will have a deep and fundamental impact on the people of Britain. We are elected to represent those people, and it is our job to ratify it. I hope that the Government bring forward a full Bill so that we can argue, line by line, for the implementation of the treaty.

6.33 pm

Mark Hunter (Cheadle) (LD): First of all, I associate myself with the remarks made by the Secretary of State for Foreign and Commonwealth Affairs at the start of proceedings with regard to the tragedy in Algeria earlier today. Although details are still emerging, it is obvious that it was a very bad incident, and as the right hon. Gentleman said, our thoughts must be with everyone—the families and friends of all those who were killed or injured.

I am pleased to have the opportunity to speak from the Front Bench in this debate on European affairs, but the House should be aware that my party's shadow Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), has written to the Foreign Secretary and the right hon. Member for Richmond, Yorks (Mr. Hague) to explain his absence from his usual place today.

[Mark Hunter]

As a proud advocate of internationalism and the European Union, I believe that the UK's role in the EU is vital in securing a stable and successful future for our country and for our prosperity. Self-evidently, we face a world in which more and more challenges have an international dimension. Climate change, terrorism and the international drug trade are just a few of the major international issues that affect the everyday lives of people in the UK. To resolve such problems requires co-operation between nations, and that must be our watchword for the future.

The European Union plays a critical role in combating those evils, as well as in improving the lives of many of our constituents. Unlike some hon. Members, who seem to be avoiding the issue of Europe like the plague at the moment, and others who are unashamed in their hostility toward anything European, I speak for a party that is proudly internationalist and pro-European.

Ms Gisela Stuart: Given that the hon. Gentleman is so proudly internationalist and so proud of his party, is he trying to tell me that all his MPs, including those in the south-east, completely agree with their MEPs, such as Andrew Duff?

Mark Hunter: I thank the hon. Lady for her intervention. If she will allow me to get into my stride a bit more, she will have a much better idea of precisely the point I am trying to make.

Mr. Davidson: As I understand it, the hon. Gentleman is telling us that the Liberal party is supportive of the European Union. Well, hold the front page. May I ask him what the Liberals' position is on the question of a referendum? As I understand it, they do not like the idea of a referendum on the constitution or the treaty; they want one on something entirely different. If that idea falls, however, and there is a motion before the House on the question of a referendum on the constitution, or the constitutional treaty, what will the position of the Liberal Democrats be?

Mark Hunter: I welcome that further intervention, but if the hon. Gentleman is a bit patient and allows me to get to it, he will understand exactly what position I advocate.

Mr. Davidson: Tell me now. I like losing the will to live.

Mark Hunter: The hon. Gentleman—*[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. Mr. Mark Hunter.

Mark Hunter: Thank you, Madam Deputy Speaker.

As I was saying, I am keen to take a moment or two to look at some of the benefits the EU has brought to Britain over the years. Let us not forget that UK membership of the EU has given us the opportunity to co-operate on tackling cross-border crime, helped to provide strong economic growth and prosperity, helped to make our air cleaner, offered a co-ordinated approach to providing aid to the developing world, helped to make our beaches and rivers cleaner and provided regional development funds for deprived areas in the UK.

That does not mean that we claim the EU is perfect. We are certainly not blind to its faults; we simply believe that we are better off in than out. All too often, the positive benefits that the EU has delivered go unmentioned by politicians and unnoticed by the public. For too long, the Eurosceptics have controlled the agenda on Europe. Those of us in this House who are pro-European, whether present today or not, need to reassert our arguments and make the positive case for Europe. In that context, the recent relaunch of the European Movement under the presidency of my right hon. Friend the Member for Ross, Skye and Lochaber (Mr. Kennedy) is a very good thing indeed.

With the accession of Bulgaria and Romania, the EU now has 27 member states, and we can all agree that the institutional arrangements derived from its original six members cannot function properly in such a union, which will no doubt have more members in the future. Although I do not intend to spend too long on this issue, because I am sure that it will be discussed at great length in January and I hope to be part of that debate—reshuffle aside—I want to say a few words about the institutional changes proposed in the EU reform treaty.

I have no doubt that the proposals in the reform treaty will make the EU a more effective and efficient institution. The reduction in the number of commissioners and reform of the EU presidency will make co-ordination on a variety of policies both quicker and more decisive, improving the EU's standing and power in the international arena.

Mr. Shepherd: We know that the hon. Gentleman's party is actively and devotedly supportive of the European Union. Indeed, it said so in its 2005 manifesto:

> "We are therefore clear in our support for the constitution, which we believe is in Britain's interest".

He therefore need not spend too long on that; however, the manifesto continued:

> "but ratification must be subject to a referendum of the British people."

Now can we hear his answer?

Mark Hunter: I thank the hon. Gentleman for his intervention. If he will be patient for a tiny bit longer, I am about to come to that part of my speech. It may not be convenient to him or other hon. Members who have intervened that I should keep to the order in which I wish to present the arguments, but I will not be deflected—either by that hon. Gentleman or any other.

The reform treaty also achieves what we have wanted for a long time: to make the EU more accountable to UK citizens, through the involvement of national Parliaments and their ability to object to EU policies on the basis of subsidiarity. The EU's policies will be fully discussed and scrutinised in Parliament, which I hope we would all agree is a welcome development for the UK. That said, we on the Liberal Democrat Benches will, as we have indicated previously, seek to table an amendment to the Bill when it is put before Parliament next year calling for a referendum, albeit not on the dry, technical detail of the treaty, but on the real issue, namely whether it is a good idea for the UK to stay in Europe or not. In or out—it is time that we sort it out.

Mr. Graham Stuart (Beverley and Holderness) (Con): Will the hon. Gentleman tell us what has changed between the general election, when it was pertinent to have a referendum on this "technical issue", and now, when it is not?

Mark Hunter: I am delighted to answer the hon. Gentleman's question. I will mention just three things that have gone from the constitutional treaty. The first is the constitutional concept. The European Council has stated that the constitutional concept has been "abandoned" and that, rather than replacing previous treaties, the reform treaty will amend previous treaties, principally the treaties establishing the European Community and the European Union. That is the first thing that is different.

The second thing that is different is that there will be no symbols of the European Union. There will be no article in the amended treaty mentioning—*[Interruption.]* The hon. Gentleman asked a question, but does not seem prepared to listen to the answer. There will be

> "no article in the amended Treaties mentioning the symbols of the EU such as the flag, the anthem or the motto."

That is the second thing that is different, off the top of my head. The third thing that is different—I will move on after this—is that there is no explicit mention of the primacy of EU law. At UK insistence, mention of the primacy of EU law will be relegated to a declaration noting the case law of the European Court of Justice. That will, in effect, recognise that the principle has been upheld.

Mr. Hague: Does the hon. Gentleman therefore agree with the former leader of his MEPs, Mr. Chris Davies, who wrote on 6 August:

> "The EU Constitutional Treaty is dead. The EU Reform Treaty is very much alive. I think we should be honest in admitting that the difference between the two is minimal"?

Mark Hunter: I thank the right hon. Gentleman for his intervention. The answer to his question is no.

If we are to be honest with ourselves and the public, whether we are in or out is what the debate is really all about. In fact, we have already received some support from the blue side of the argument for our in/out referendum proposal. Iain Dale, the blogger extraordinaire and Conservative party activist, has advised the Leader of the Opposition on *The Daily Telegraph*'s website to steal the Lib Dems' policy on the issue, arguing that it would

> "settle the issue once and for all".

I am happy that at least one prominent Conservative has come to a sensible conclusion on the matter. I have no doubt that others will follow in time.

I assure the House that if and when such a referendum is called, we on the Liberal Democrat Benches will be the first on the streets, pounding the pavements to explain to our constituents not only why Europe is good for the future of the UK, but why it is necessary if we are not to become a marginalised irrelevance on the international stage.

Mr. David Drew (Stroud) (Lab/Co-op): For those of us who remain a bit confused about exactly where the Lib Dems stand on the issue, will the hon. Gentleman state categorically that the Lib Dem policy is now not to have a referendum on the treaty—that they may want referendums on all sorts of other things, but they do not want a referendum on the treaty?

Mark Hunter: I thank the hon. Gentleman for his intervention. I am not quite sure what he is referring to when he says that we want referendums on many other things, but I have articulated our position as clear as clear could be. When the Bill comes before Parliament in the early part of next year, we will table an amendment to call for a referendum on what we believe is the central question: whether we stay in Europe or whether we come out. No amount of flannelling from Opposition Members who want the Liberal Democrats to take a different view will change our position, which has been set out many times by my hon. Friend the Member for Twickenham (Dr. Cable) and other spokesmen. We are all well aware of the position.

Mr. Hands: Will the hon. Gentleman answer the question asked by the hon. Member for Strood—

Mr. Drew: Stroud!

Mr. Hands: I apologise—I have done it again. Will the hon. Gentleman answer the question that the hon. Member for Stroud (Mr. Drew) asked—whether it is the Liberal Democrats' policy definitely to reject a referendum on the treaty? It is quite possible to have a view on an in/out referendum, but one can also have a view on the treaty. Will the hon. Gentleman state categorically whether the Liberal Democrats are now against it?

Mark Hunter: I do not know how many times I can say this in words of one syllable that hon. Members can understand. The Liberal Democrats' position is that we will table an amendment to seek a referendum on the central question of whether we stay in Europe or not.

Richard Younger-Ross: Is the question not whether the other parties will support the Liberal Democrats' amendment? If we were to have that referendum on whether we should be in or out, I am certain that our party would vote 100 per cent. for staying in and that the other parties would vote every which way.

Mark Hunter: I thank my hon. Friend for his intervention—

Mr. Davidson *rose*—

Mr. Simon Burns (West Chelmsford) (Con) *rose*—

Madam Deputy Speaker: Order. The hon. Gentleman is replying to an intervention.

Mark Hunter: I thank my hon. Friend for his intervention. As ever, it is a helpful one. He is absolutely right that when the debate comes to that issue, hon. Members in other parties will have to take a view on the central question, which we are putting forward: do we want to stay in Europe or do we want to come out?

Several hon. Members *rose*—

Mark Hunter: I need to move on; there are a lot of other issues—

Mr. Burns *rose*—

Kate Hoey *rose*—

Madam Deputy Speaker: Order. The hon. Gentleman has made it clear that he is not giving way at this moment.

Mark Hunter: I would be very happy to spend the entirety of my speech on that one subject, but this European affairs debate allows us the opportunity to talk on many other subjects that are important, and I intend to do that.

The forthcoming summit will, I am sure, be a busy one, with the EU foreign policy high on the agenda. I am also certain that the issue of Kosovo will again be discussed, and rightly so. It is now eight years since NATO intervened there, and the "transitional" arrangements are beginning to look more permanent than they should. The Kosovars promise that they will eventually declare independence unilaterally—indeed, much earlier than next May. That is a clear indication of the tension in that region, which will not stay buried for too long. The EU needs to pre-empt a new crisis and act now.

Mr. Burns: Can the hon. Gentleman clear up one issue that is confusing the House, with a straight yes or no answer? When the legislation comes before the House, if there is an amendment to call a referendum on the constitutional treaty, will the Liberal Democrats vote yes or no, or abstain?

Mark Hunter: I thank the hon. Gentleman for his intervention, but he is not going to distract me from the issue that I am talking about, which is Kosovo— *[Interruption.]* I am sorry if Conservative Members do not think that Kosovo is worth the attention of the House. I beg to differ; I think that it is, and I intend to proceed with my remarks on the subject.

In our opinion, the only solution to the crisis in Kosovo is the supervised independence plan proposed by Martti Ahtisaari. His proposal envisages that the EU will play an oversight role while Kosovo develops the institutions and stable economy that it needs to enable full independence. We welcome today's written statement from the Foreign Secretary on his desire for rapid discussions on a new Security Council resolution before the end of the year. His statement also recognises the slim prospects of securing a deal, however. If Russia remains the sole obstacle to achieving a new resolution at the Security Council, the EU and the US must swiftly take the lead in recognising Kosovo under the terms of the Ahtisaari plan.

This issue cannot be circumvented or ignored for much longer. We believe that Kosovo should eventually obtain its independence, but it must do so peacefully and under EU supervision. The Ahtisaari plan would facilitate that, and the EU should do all that it can to ensure that it is adopted as soon as possible. We have known that this day was coming for some time, and the EU must now come to a common position if it is to remain a credible player in the process. I hope that the Government will do all that they can to ensure that they get an EU agreement on this issue during the summit.

I am pleased to see that the European Union initialled a stabilisation and association agreement with Bosnia and Herzegovina last Wednesday. I was also pleased to note the almost instantaneous injection of stability that that brought to the country. These are indeed positive developments. The promise of EU accession for the western Balkan countries is, as ever, an inspiring one. Just last week, I met Government representatives from Bosnia and Herzegovina who impressed on me in the strongest language the importance of the possibility of EU membership and the positive effect that such membership would bring. The former high representative for Bosnia and Herzegovina, my friend and colleague the noble Lord Ashdown, has rightly said that the prospect of joining Europe and NATO is the glue that holds the Balkan states on the path to reform. While I would not suggest that they would immediately revert to conflict if we took that glue away, they would certainly retreat into dissolution and the black hole of lawlessness. Sadly, recent events in Bosnia and Herzegovina have proved that to be all too true.

Mr. Davidson: I am still unclear about the hon. Gentleman's party's position on the issue of a referendum. As I understand it, the Liberal Democrats wish to have a referendum on the in or out question. If the proposal for such a referendum were successfully passed by the House, I would have no difficulty in saying that I would campaign for Britain to remain in the European Union. However, that need not preclude the holding of a referendum on the European reform treaty. It is entirely possible for lots of people to adopt my position—namely, to support Britain's remaining in the EU while voting against the reform treaty. Where do the Liberals stand on the question of the treaty? Whether they win or lose on the in or out question, what is their position on the reform treaty? Surely we can have honesty from the Liberals on that question—

Madam Deputy Speaker: Order. I think that the hon. Member for Cheadle (Mark Hunter) has understood the question.

Mark Hunter: Thank you, Madam Deputy Speaker. I also thank the hon. Gentleman for his intervention, but I believe that I was talking about Bosnia when he rose to his feet.

To help countries such as Bosnia along the road to greater institutional, economic, political and social stability—*[Interruption.]*

Madam Deputy Speaker: Order. There are far too many individual conversations going on in the Chamber.

Mark Hunter: Thank you, Madam Deputy Speaker.

To help countries such as Bosnia along the road to greater institutional, economic, political and social stability, the EU must be prepared not only to offer the prospect of EU accession to those countries but to be proactive in helping them to fulfil the accession criteria. It is no longer enough for us to sit on the sidelines watching and waiting for them to catch up with us. While we must ensure that the accession criteria are stringent and are fulfilled, we must also be prepared to devote real time and resources to the process. Widening EU membership will not only bring peace and security to eastern Europe; it will also be beneficial to the UK, create greater prosperity for the region as a whole and allow greater co-operation on key issues such as combating organised crime and illegal immigration.

The EU also has a key role to play in co-ordinating defence and foreign policy. I hope that, during the summit, time will be given to a discussion on the situation in the middle east and, in particular, on what role the EU can play in the wake of the Annapolis conference and how it can help the parties involved to reach a conclusion before the end of 2008. The process will not be easy, and I am sure that there will be moments when negotiations will stall. However, it is the only hope for the region. It is also essential that the EU explore ways to ensure that the aid to the region really does reach the innocent civilians who need it, both in the west bank and in Gaza.

Similarly, I hope that there will be a discussion on how the EU can improve its collective impact in Afghanistan. EU member states play a critical role in strengthening governance, delivering aid and, in some cases, fighting to improve security in Afghanistan as part of the NATO ISAF mission. Too often, however, effectiveness is hampered by poor co-ordination and caveats on military engagement. I am sure that the Secretary of State will agree with us that a stable, peaceful and secure Afghanistan is in the European as well as the British interest.

We welcome the fact that the Secretary of State turned his attention to EU defence capabilities in his recent speech at Bruges. The Liberal Democrats have long called for a European defence review to assess the military needs and capabilities of European nations. I shall be interested to know whether he will be advocating this agenda at the forthcoming summit.

The EU also plays a crucial function in providing aid and trade to the developing world. Africa and most of the European Union agree that decisions about the future of the EU-Africa relationship need to be Africa-centred. It would be folly to imagine that we should be imposing solutions on Africa from our positions of post-colonial comfort, and I hope that the change in direction that the EU-Africa summit was meant to bring will be borne out in practice. However, we must not lose sight of the fact that, when brutal dictators such as Robert Mugabe in Zimbabwe wilfully mistreat and abuse their own people on such a massive scale, we have a right and a duty to speak out. That is why we urged the Portuguese not to invite him to the EU-Africa summit, and why we supported the Prime Minister's position of boycotting the summit once it became clear that Mugabe would attend in person.

During the summit, discussions will take place on the economic partnership agreements. Along with many others, we have real concerns about the practicalities of those agreements and about their effect on the developing economies in Africa. We fully support proposals to remove restrictions on goods and services coming into the EU from Africa. Indeed, allowing greater trade from African countries and businesses will undoubtedly do more to change the trajectory of development than a generation of aid hand-outs. However, Africa nations must be allowed reasonably to protect themselves against the influx of imports from the EU countries, which is likely to have a devastating effect on the least developed economies over a short period. The conditions imposed in the agreements cannot solely be for the benefit of western and European countries.

The worst scenario would be that no conclusion were reached before the World Trade Organisation deadline of 31 December. The result of that would be an increase in tariffs and severe damage to the fledgling economies of Africa. I therefore hope that the Secretary of State will agree that discussion of these issues needs to be a top priority for the forthcoming summit. The EU has a responsibility as a global power to do all that it can to work with the developing world and to help those countries to achieve their full potential.

The EU has a vital role to play in our society, in our nation, in our continent and throughout the world. Together, we have greater strength and influence on the international stage than we could ever have apart. Co-operation and cross-border issues have proved to be beneficial for the citizens of all EU member states and all benefit from EU policies in a variety of areas. We need to carry on working to ensure that the EU is doing what is right and is doing it well. Only by playing a central role in shaping the future of the EU can the UK ensure that that is the case. Now that the discussions about the future structure have been progressed and are being dealt with nationally, the upcoming summit will give the UK the opportunity to set the agenda for EU policies for the future, so that the EU can continue to be an active player on the international stage and maintain a strong economic presence for the benefit of all EU member states.

7 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): It is a great pleasure to follow the hon. Member for Cheadle (Mark Hunter). I should like to pursue one point that he raised.

I find the idea of calling for a referendum on the question of being in or out of the EU rather curious. It is like having a general election, but on the question whether we should have a Government or not. It is perfectly honourable to say, "I wish to have a Government, but not this one. I would like a different one." That is what the democratic process is all about. If a referendum on the question of being in or out should ever be put to the people, I could just about envisage a scenario in which two questions were posed and people were asked whether they wanted the treaty or not. To deny them that opportunity causes a real difficulty.

This debate is always held among the same group of people. If anybody ventures to Germany between Christmas and New Year, they discover that a short British comedy film with Freddie Frinton called "Dinner for One" is shown—the Germans think that the whole of Britain watches it. It portrays a situation that repeats—every year, the same people say the same thing. That is what EU debates tend to be like, with the same people trying to say something different.

The problem is that the EU does not fall along party lines and, as political parties, we all hate divisions within parties. Parties do not like to talk about the EU in case it opens up divisions within them.

Mrs. Dunwoody: My hon. Friend is being rather unkind about Freddie Frinton, who was not only a well-known seaside artist but had a long career in

[Mrs. Gwyneth Dunwoody]

which he played precisely the same act for at least 45 years, to my certain knowledge, with great success. We should be grateful that at least Germany acknowledges the superb quality of UK variety artists.

Ms Stuart: I have never been so pleased to be corrected by an hon. Friend as on this occasion.

Mrs. Dunwoody: Please thank me for my intervention!

Ms Stuart: I am deeply grateful to my hon. Friend.

Let me return to the EU.

Kelvin Hopkins (Luton, North) (Lab): Just to be serious for a brief moment, my hon. Friend was right to say that we want a choice. Does she not think that we, as parliamentarians, could propose some serious practical alternatives for Europe—not for this Europe, but for a much better Europe?

Ms Stuart: Indeed. Let me return to the treaty. I ask the House to bear with me for a few moments, because one problem with most of these debates is that we do not pick up one issue and think it through logically to its conclusion. We tend to switch from institutions to policies and to make one case by using the other argument.

I want to remind everybody of the difference between EFTA, the European Free Trade Association, and the EEC, the European Economic Community. EFTA was a free trading area—something for which I think the Conservatives still hanker. The EEC, as it then was, introduced the freedom of movement of labour, which was very important, because the minute that people are moved between countries, the mechanisms are created that will eventually lead to deeper political integration.

The original institutions of the then EEC—the legal mechanisms of directives, the European Court of Justice, which had a mandate for achieving deeper political integration, judicial interventions or qualified majority voting, which came in later—have led to an EU with a range of tools, all of which were designed in one way or another to further political integration. The argument about the use of QMV, for example, is always, "We cannot hold up progress by allowing Malta to stop us." I am afraid that if we are to have a union of nation states, there will be issues on which one member can say no. The minute we remove that right, we become federal states. If that is what people want, that is fine. I am one of those few people who are utterly agnostic about that because, having spent half my life in a federal state, I do not mind what people want, I just think that they need to know what they are getting, and it is no good pretending otherwise.

The UK likes QMV occasionally, but I want to draw attention to something very different, because not only was the movement of labour significant, but there was another tool—the internal market. Although the rest of Europe, by and large, always prayed the internal market in aid of deeper political integration and was little concerned with whether it was fulfilled or not, Britain always liked the internal market as an end in itself rather than a tool. We were therefore much more focused on that notion, but those are the type of tools that the Germans put on the negotiating table that cause us a problem.

The next problem is the time span during which things happen. The working time directive began to be debated in the early 1990s, but did not start to cause us political problems in this country until 18 years later when we realised that allowing the training of junior doctors to comply with the directive meant that many of our increased number of doctors were used up. As for the voters, they could no longer hold anybody responsible because they had all gone from office. People said, "The pass has been sold."

At this point, I want to consider something that is currently on the table. When I became a Health Minister in 1999, one of the first things that I had to do was to go to Europe—I was the foreigner on the team, so they said, "She can do abroad." There was a Health Ministers' lunch, at which we all got together. A junior official came up and said, "There's a case which you may want to raise over lunch. It does not really bother anybody apart from us, but the Dutch are sympathetic to us." The case was called Kohll *v.* Decker and it related to a Luxembourg national who went to Germany for dental treatment, and it was asked whether that was part of the internal market.

I remember that the position taken at that lunch was quite eccentric. Only the Dutch Health Minister, who had been around for a long time, realised that there might be a problem, but the case was seen as a peculiarly British obsession. At that stage, we were waiting for another court ruling on the costs related to that case. To argue that, three or four court rulings down the road, we would have a problem with running the national health service, because we were the only country whose health system was completely funded by taxation and based on residency, with no controls—unlike other countries—was seen as the product of an eccentric lawyer's imagination running wild. It was argued that I did not have to worry because health was not an EU competence. Health is now becoming an EU competence, albeit only on the public health side.

This is not a debate on the EU health directive or the court cases, but we had a succession of court cases that ended with a British case in 2006, where the ECJ pushed it to the limit and applied the internal market as a mechanism to allow people to travel from one country to another and claim health expenses without prior authorisation. We reached the point where Ministers were saying, "Thus far and no further. We now want a political input."

That political input is now in a draft EU directive on health, to be published, I understand, on 19 December—politically, an extremely active date. I know exactly what will happen. We will get the directive and will be told not to be paranoid, as it is all perfectly all right. An early-day motion has been tabled that states that the logical conclusion of that directive is that it will undermine the way in which we run the NHS. What is so sad is that almost the only mechanism open to Members to raise that issue is an early-day motion. If we are honest, we all know the political significance of early-day motions. We might as well spray graffiti outside Big Ben—it would probably have more effect, because at least the cameras would catch it.

If we pass the treaty, whatever it is called, we will create a situation in which, step by step, over the past 30 years—through legislation, court intervention or QMV—we will have completely recalibrated the presumption of who is in charge of legislation. This House is no longer in charge of all our legislation, so we must now find the areas in which we remain supreme. It can be argued that even matters to do with defence and foreign affairs can be circumvented. Over the decades, and step by step, the presumption as to where legislative power lies has moved away from this place. The problem with health legislation, for instance, is even worse, because that is something that we have devolved to Scotland and Wales. The result is that this House has become even less relevant.

The British people may well be entirely content with that, but it is something that they need to think about. We need to explain what has happened, and that is why this debate is so important.

Three things need to happen when the treaty is considered. First, given that the passerelle clause in its present state is not sufficient, the Government must make a clear commitment to bring in primary legislation, and not just to allow the House to have a vote, before there is any further erosion of our legislative power as a result of QMV. Secondly, the political parties must stop playing silly games about matters such as the new health directive—which incidentally looks suspiciously like the Tory policy on patients' rights—and be more open about what they believe.

Thirdly, and most fundamentally, all three main political parties promised in their election manifestos that the treaty was so significant that the British people needed to be asked their opinion. If Labour, as the governing party, is so confident that the treaty represents a good deal for Britain, we should have the courage to ask the people about it, as well as subjecting it to 20-odd days debate in this House.

Michael Connarty: Does my hon. Friend accept that the call for a referendum is to a certain extent emotional and simplistic? She will have read most of the documents on the reform treaty, although she may not have seen the final draft, and I am sure that she has read with interest the reports from the European Scrutiny Committee. Does she agree that any referendum would not be on the reform treaty but would refer to populist and emotional matters such as straight bananas and immigrants stealing our jobs? Does she really want to reduce such an important matter to a travesty like that?

Ms Stuart: I agree that there are dangers associated with referendums. Some countries have banned them, for very good reasons, but two points are worth making. First, in mature democracies, referendums are part of the democratic process. Secondly, when people in Wales and Scotland voted in referendums in the way that we wanted, I did not hear anyone on this side of the House say, "They voted on devolution but they did not know what it was about." The Labour party has used referendums more than any other, and I must repeat that we promised one on the treaty in our election manifesto. Therefore, there must have been a time when we thought that holding one was the right thing to do.

As I said at the very start of my speech, our relationship with the EU is a constitutional matter. Opinions about it do not fall comfortably along party lines, so I do not entirely agree that it is an issue that can be decided as part of a general election. The fact that the previous Conservative Government did not offer a referendum on Maastricht—in fairness, they never said that they would—only strengthens the case that I am making.

Thirty years have passed since 1975 when, as I remind my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), the Labour Government under Harold Wilson gave the country a referendum on European Community membership. Given what I said earlier about the shift in the presumption about where power lies and the changes in how this place deals with European affairs, I think that it is appropriate that we ask the people of this country for their opinion.

7.14 pm

Mr. William Cash (Stone) (Con): I am glad to follow the hon. Member for Birmingham, Edgbaston (Ms Stuart), for the very good reason that I share her conclusions about the necessity for a referendum. It is not unknown that I was very much in favour of a referendum on the Maastricht treaty. If we had had one, we would not be debating this matter now, as I am sure that we would have secured a no vote.

Mr. Davidson: Will the hon. Gentleman give way?

Mr. Cash: In a moment. Intriguingly, the hon. Member for Linlithgow and East Falkirk (Michael Connarty), the Chairman of the European Scrutiny Committee, said that he voted yes in 1975. I presume that he was pleased with the outcome of that vote, as it confirmed our membership of what we now call the EU. At least the then Labour Government offered that referendum, whereas most of the present Government's arguments against holding one now are completely absurd. I do not understand why the Government today cannot retain their stated position of 1975.

Mr. Davidson: The hon. Gentleman was in favour of a referendum in 1975, and so was I. May I draw to his attention the fact that the Liberals were also in favour of a referendum at that time? In contrast, we do not really know what they think now. They may be waiting for a reshuffle or something. Does he anticipate that the time will come when the Liberals will be able to decide whether they are in favour of a referendum on this matter?

Mr. Cash: I have the gravest doubts as to whether the Liberal party has any clear idea about where it is going with any policy, but an important point about the in or out question is being overlooked: that the proposed treaty is in fact a merger, through binding mandate, of all the treaties on the European Community and the European Union. It is also substantially equivalent to the original constitutional treaty, and that combination means that any referendum on a yes or no question would effectively come down to asking whether or not the British people wanted all those treaties. That is as close as I can get to asking whether we should be in or out, and I believe that some people may be underestimating the extent to which any referendum on the reform treaty would turn out to be one on all the treaties, as a whole.

Kelvin Hopkins: Like the hon. Gentleman, I am in favour of a referendum. If one were to be held, it would be very popular and might well result in a no vote. Does he believe that many citizens in the rest of Europe might be very grateful to have a chance to think again about a treaty that has been imposed on them by their leaders?

Mr. Cash: I do, especially given what happened with the referendums in France and the Netherlands, and before those in Ireland and Denmark. We could have a referendum on this treaty, or on its ratification; I do not mind, and my motion on that subject has received strong support from members of my party. As I said earlier—and my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) suggested the same thing—I agree with the report from the European Scrutiny Committee stating that Parliament has been bypassed in a deceitful manner. That process was quite intentional, and our cross-examination of the Foreign Secretary has given us a more than sound reason for holding a post-ratification referendum.

We were taken into the EU in 1972 on what has turned out to be a misleading basis. In the same way, this treaty has brought together all existing treaties and now presents us with a similar problem. That is a not a proper way for this Parliament to behave. In my opinion, the Government's approach has been dishonest and lacking in integrity. The most recent opinion poll was conducted in the past few days by Global Vision, and it found that 82 per cent. of people would like there to be movement towards an association of nation states through renegotiation—something that I have lông advocated. If those negotiations failed because the other member states simply refused to accept them, the question of whether to withdraw from the European Union would arise.

The Prime Minister alleged the other day that I had said we must withdraw from the European Union. I have never said that that is my explicit objective. However, I believe that we have passed thresholds. In my opinion, we did that on Maastricht and then on Nice and Amsterdam. I tabled hundreds of amendments to all those treaties. Indeed, on the European Union constitutional treaty, I think that I managed to reach 400. However, the bottom line is that we should have a referendum, as the hon. Member for Birmingham, Edgbaston said. I echo others' comments that we must preserve the right to legislate in this House for the electorate who elected us to represent them.

The matter is simple; it is about simple democracy and simple freedom. As the Chairman of the Select Committee said, it is inconceivable that we should be confronted with ambiguity about whether we, as a national, sovereign Parliament, which has developed democracy over the past 400 years and passed it on to much of the rest of the world, could possibly face the legal obligation that is enforceable by infraction proceedings. I demand to know why the Government have not made the wording crystal clear so that there could be no question of a legal obligation on this Parliament. That raises the question of what lies at the heart of the European Communities Act 1972. Sections 2 and 3, on which everything else depends, state that we must obey all European laws that are passed in the Council of Ministers and that we must comply with all European Court decisions. That is the root of the authority, and what we must tackle during the series of debates in January.

Our debates will be about the right of the British Parliament, when necessary—I believe that it has already become necessary—to demand an endorsement of our supremacy. That remains the key issue; our entire democracy depends on it. People fought and died for it over the centuries and especially in the past 60 or so years. We are considering matters that are far deeper than what the Foreign Secretary described as navel gazing about institutional matters. Our debate is about fundamental questions on which the British people have a right to have their say.

Curiously, a referendum would enhance, not diminish, Parliament's authority because referendums cannot be held without an Act of Parliament or a provision in a measure to effect them. There are moments when—with some humility, I hope—Members of Parliament do not presume to know what the people of this country should do when they are confronted with a life-changing impact on their daily lives.

It is almost impossible to think of a single subject, including tax—for a variety of technical and legal reasons that I do not need to discuss—that is not affected by the juggernaut and the labyrinth of the European system that the European Court of Justice can enforce. That applies to the question of a constitutional relationship between us and Europe because of a case called Frankovich. The constitutional position of the European Court of Justice is that we are under an obligation to give effect to whatever emerges from the European Union, whether it affects our constitution or not. The remedy therefore lies with us:

> "The fault, dear Brutus, is not in our stars,
> But in ourselves, that we are underlings."

Have we not the humility to hand decisions back to the people for their determination? I believe that it is our right and duty to do that. We should also acknowledge the sheer impact of the morass of legislation, which I have observed for the past 23 years since I first served on the European Scrutiny Committee. It has been an interesting experience. I watched the whole process and, yes, fought aspects of it. In my own mind, I am not anti-European. It is pro-European to be pro-democracy. I believe that so-called anti-Europeans often present the best arguments to prevent this country from losing its right to govern itself.

Kelvin Hopkins: I hope that the hon. Gentleman agrees that it is important to distinguish between Europe and the European Union. We are all pro-European but we disagree with the construct called the European Union.

Mr. Cash: I could not agree more. The hon. Gentleman's comments go back to my earlier point about the second world war. We fought for freedom and for Europe. That was right. In doing that, we prevented this country from being taken over by a dreadful tyranny.

Let us consider the charter of fundamental rights. It does not simply comprise a few isolated legal points that can be produced by the odd lawyer from university. It is about the way in which people will be expected to live in future. It affects every aspect of human life. After intense analysis of the position and listening to the Foreign Secretary and the legal adviser, who discussed the issue with us, the European Scrutiny Committee concluded:

> "We express doubts on the effectiveness of the Protocol on the Charter of Fundamental Rights and do not consider that it guarantees that the Charter can have no effect on the law of the United Kingdom when it is combined with consideration of the implementation of Union law."

In other words, we do not buy the argument that the Government have effectively excluded us from invasions by the European Court of Justice of our legal system in respect of matters that arise under the charter. That is a profound criticism and a profound indictment of the Government's position.

Michael Connarty: Leaving aside the indictment of the Government's position, does the hon. Gentleman concur that the TUC was wrong to oppose the treaty on the ground that the Government's red lines barred the charter of fundamental rights from doing the things that he suggests? That conclusion led the TUC to oppose the treaty.

Mr. Cash: The trade union position has been somewhat variable. As I said to the hon. Gentleman earlier, a European Court of Justice decision has come out today, which, I am informed, extends the right to strike. That should make the Government apprehensive. If the court is already saying that, how much will it say about the charter of fundamental rights as and when it comes up for interpretation?

There is only one answer, which goes back to my point about intrinsic sovereignty. That is not a theoretical abstract; we are dealing with a decision about whether we legislate properly on behalf of the people whom we represent. The answer is simple: it is my "notwithstanding formula". If we include in our own legislation the words "notwithstanding the European Communities Act 1972" as a prelude to legislation that emanates from the European Union when we enact it in this place, that would require the judiciary to obey the latest, inconsistent, expressly stated measure from Westminster. They have no option. I think that we have reached that point, and I think specifically—although I would take this on a far more general footing—with regard to the Government claiming that they do not want the charter to apply to this country in the legally binding way I have described, the fact that, according to the ESC, they cannot guarantee that leaves them with only one option: to apply the "notwithstanding formula" in their proposals for the Bill to make certain that it does not apply. I am deeply disappointed and disturbed by the clap-trap put forward by the Foreign Secretary in the Government's replies to the ESC report, because they know that that was not only a threadbare but a non-existent argument. This is a serious issue because the charter extends into so many areas of our national life.

I said at the beginning of my speech that I think this treaty is more important than Maastricht. Why do I believe that? I believe it because although Maastricht was about the shift to European government—that is why I opposed the treaty, causing some pain and concern to some, or most, of my colleagues—since then there has been an accumulation of other functions, which have been all-pervasive in that they have gone into almost every other field. Members might or might not know about the so-called doctrine of the occupied field. I do not wish to explain it in detail other than to say that according to that doctrine if the EU has been granted competence in a particular field, a country could not legislate in its own Parliament. Furthermore, with the self-amending text point, which has already been discussed, the reality is that neither can it have any referendums in respect of those areas; a national Government would not be in a position to say that they were able to go to the people because they would have already made the textual changes internally within the framework of existing competences. Huge issues arise in relation to the treaty, which need to be not only carefully considered, but rejected.

The Prime Minister has been talking about the governance of Britain and the fact that he thinks treaties should be approved by Parliament. This debate should have been on a substantive motion. The hon. Member for Linlithgow and East Falkirk, Chairman of the ESC, made that point. Although the debate is taking place on the Floor of the House, it should also be subject to a vote. Not many Members are here but there are a variety of reasons for that, and I think the Government stand condemned by virtue of their failure to have a proper debate on a substantive motion before the treaty is signed.

There have been deceitful circumstances, and also obscure and opaque circumstances, as we discovered from our cross-examination; some of them have not been entirely resolved even today. At some point between about 15 and 23 June—I cannot be exact—things were going on. The German presidency produced papers; it bounced people, and papers emerged. There are also question marks over whether there was more discussion than was being disclosed. I simply make this point: against that background, it is fundamental to the integrity of this House that we make certain that the Government are forced into a position in which during the course of the debates that take place next year, not only do we have a referendum—that is entirely justified in the interests of the British people—but they are made to explain how it was that the poisoned chalice of the reform treaty was passed by the former Prime Minister within what appears to have been a period of approximately just one week before he gave up office and the new Prime Minister came in. I cannot believe that the new Prime Minister did not know exactly what he was taking on. Therefore, in the light of what I saw when I watched the former Prime Minister in "The Blair Years" on television, I was bound to conclude that in fact the incoming Prime Minister in part took on his job on an understanding that he would not disrupt the smooth passage of that poisoned chalice which he received from the outgoing Prime Minister. I think that that is the real reason we are not being given a referendum; I cannot prove it, but I believe it is the case.

Some issues are so important to our constituents that we have to step up to the plate. I believe that this debate should have been on a substantive motion and that it should be subjected to a vote, simply as a protest and in defiance of the way in which the Government have behaved in betraying the British people and giving them a treaty they have no business inflicting on them.

7.35 pm

Kate Hoey (Vauxhall) (Lab): It is always a pleasure to follow the hon. Member for Stone (Mr. Cash), and I agree that the debate should have been on a substantive motion. However, it does not help that Members of his party are, I think, on only a one-line Whip. I am not sure what that tells us, but I too am disappointed by it.

I spent a little time over the weekend reading through the Third Reading debate on the Maastricht Bill—or Maastricht treaty, as it became. It is interesting to note how many of the Members involved in that debate are also involved in today's debate. The major parties now occupy Benches on the opposite sides of the House from those that they occupied then, but looking through some of the points made in that earlier debate revealed that when it comes to treaties such as this one, Governments of different political persuasions seem to take similar positions; it appears that when Oppositions get into government and go to Europe, something happens to them.

My hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) spoke about her experiences as a Minister in Europe. I too went to Europe as a Minister—to the justice and home affairs section—when I had a year in the Home Office as a Minister. We clearly saw there how everything that happens in Europe is built on deals and stitch-ups and people saying, "You give me that, and I'll give you that." The current Secretary of State for Justice was Home Secretary at the time, and even though he wielded a tough bat in the justice and home affairs area there were still times when, having gone there absolutely determined that we were not going to give an inch, word would come through after a while that the powers that be back at home in Downing street wanted something changed, because if we gave in on that, we might get something else somewhere else. I am elected to Parliament to represent my constituents, and I do not think that we should be involved in such deals, which ultimately end up in a kind of compromise whereby sometimes we get the worst of all possible worlds.

I am particularly sorry about the current situation, as my party had a manifesto commitment that they would put the treaty to the vote, and I personally put that in my election address. I am clear that I will not be breaking any promises that I made in the election. I will still do whatever I can to urge my Government to change their view on this issue. A commitment was given, and despite all the words that have been said, if the Minister is honest—I know he is an honest Minister—although he will not say so here and now, he will know deep down, as we all do, that this constitutional treaty, as I think it should still be called, is almost entirely the same document as the one that was rejected by the French and the Dutch, and the one that we offered a referendum on such a short time ago.

Mr. John Hayes (South Holland and The Deepings) (Con): The transactional relationship that the hon. Lady describes in European dealings is, of course, a feature of intergovernmental relationships too, but does she agree that the difference is that, because of the EU's supranational reality and further ambitions, those transactions are not accountable to this House and are therefore entirely detached from the will of the British people?

Kate Hoey: I think that that is the case. The reality is that absolutely nothing going on within the European Union is transparent. We need only look into the situation with the accounts. Is it not absolutely shocking that, 13 years on, no one has signed off the EU accounts? Where else would that be allowed to happen? If that were a company the directors would be up on charges, and even the smallest voluntary organisation has to have its accounts monitored, yet the reform treaty does nothing about that, and will make no change to it.

All the millions of pounds that this country puts into the EU are often subject to the sort of fraudulent behaviour or misappropriation of money that we all know goes on. Why should my constituents in Vauxhall, many of them very poor indeed, pay their taxes towards the EU fund without knowing at the end of the process exactly where their money has gone, especially when they know how little of it comes back to them or to this country? I sometimes open events where the European Union plaque is displayed—some insist on putting it up at every little project, even when only a very small amount of money is involved—and people are always grovelling around to say nice things about the EU. They thank the EU for their money, but they should not be thanking the EU: it is our money coming back—and there is a lot less of it than we jolly well put in! I find the whole situation with fraud and the accounts quite disgraceful. It may be nothing to do with the treaty, but if we sign it, things will certainly get a lot worse.

Daniel Kawczynski: Does the hon. Lady agree with me that in respect of the EU rebate, which the Government have abandoned—20 per cent. of it has been lost, which is equivalent to about £10 billion—all that money is pouring into eastern Europe, some of which they cannot spend quickly enough, while at the same time our own Government are borrowing £40 billion just to balance the books this year alone?

Kate Hoey: The hon. Gentleman knows that this was quite fully debated just a couple of weeks ago. The Chairman of the European Scrutiny Committee says that the amount is £7 billion, so perhaps we could work out the difference between £7 billion and £10 billion—still a huge amount of money.

The Government have tried to argue that because the red lines were maintained, this is not a constitutional issue, so all the opt-ins and opt-outs that we have negotiated will prevent any further erosion of our powers to Brussels. The reality and the fact is—again, we all know it, but some people, including the Government, do not like to admit it—that the vast bureaucracy in Brussels is a self-perpetuating system, which will continue to take powers from us, whatever we do, wherever and whenever it can. It wants to push for more, and the only way in which it will be constrained is by allowing democratically elected parliaments, and then the people themselves, to vote.

The constitution was stopped—initially by the referendums in France and the Netherlands—only when people stopped it. Remember—the votes came through and everyone in the European Commission said, "The people of France and the Netherlands have sent us a message. We're going too fast. The people do not like this, that or the other." They said that they would reflect and come back with a more acceptable treaty. What did they actually do? They went away—there was a long period of silence; negotiations may have been going on, but certainly no one in this Chamber was involved—and came back with a very similar constitution.

Given that the Government and all three political parties promised a referendum, reneging on it now will, in my view, deeply damage the relationship between the public and Parliament, and between the public and the Government. It is not good enough for a manifesto commitment to be just discarded like that. I was amazed that the hon. Member for Cheadle (Mark Hunter), who speaks for the Liberal Democrats, could not answer this simple question: if an amendment calling for a referendum were passed here, what would the Liberal Democrats do? *[Interruption.]* I see the hon. Member for Dunfermline and West Fife (Willie Rennie)—presumably a new Liberal Democrat Front-Bench spokesman—in his place, so perhaps he can answer that question. I will not push him, though, because there is talk of a reshuffle and he might be involved in it. It does seem absolutely amazing that the day before the Prime Minister is going to sign the treaty, without a photograph—*[Interruption]*—or not. It is amazing that the Liberal Democrats still cannot tell us what they would do if there were an amendment calling for a referendum.

Kelvin Hopkins: I am astonished that the Liberal Democrat party, supposedly the most Euro-enthusiastic of all, has no Members in their places apart from the one Front-Bench spokesman. Where are they?

Kate Hoey: I had noticed that, too. Perhaps they have no Whip on at all today. The Conservatives have only a one-line Whip, while we have a three-line Whip, but I suspect that some of my colleagues have decided that there is not going to be a vote.

Mr. Davidson: As I understand the Liberal Democrat position, they do not know what kind of Whip they are on. I sought that information from their spokesman and the answer came back that he did not know. That clearly demonstrates the decisiveness with which the Liberals are approaching these European matters.

Kate Hoey: I will not rub salt into the wounds of the Liberal Democrats—[Hon. Members: "Go on."]—but they have to be accountable, particularly in the many marginal seats where the public will be very interested in this issue. I know from my own constituency, as I am sure will many other Members, that it is of real importance to the average member of the public. Many people are concerned about the European Union, as they have seen it encroaching, encroaching and encroaching on their lives, yet since 1975 they have had no opportunity to say what they think. I can put down the Government's reticence about having a referendum only to the fact that they know, deep down, that the chances are that the European constitution would be defeated in any such referendum. If they are so proud of it and think it such a great deal, there is no reason why they should not have that referendum.

Michael Connarty: My hon. Friend knows that I respect her stands—they tend to be principled stands—on a number of issues. Given her inability, however, to enter into the detail of the treaty and her tendency to keep wandering around the outside of it, we need to remember that it has 150 clauses. Reducing that complexity to a simplistic referendum run in the press—mainly the Murdoch press, owned by an Australian with an American involvement, although I believe that Murdoch is handing it over to his son now—would not be helpful. Any such campaign would be run on the basis of anti-European bitterness, and would have more to do with Murdoch's interest in the United States than anything to do with the European Union. Surely the detail—of the European arrest warrant, for example—should be debated in this Chamber line by line, not given over to some simplistic referendum campaign. I cannot understand why people adopt that sort of argument.

Kate Hoey: I thank my hon. Friend for that contribution, and I agree that the detail should be debated in this Chamber. It should have been debated long before we actually have to sign it, which is tomorrow. Following on from that, because this is a constitutional issue that deeply affects how we as a Parliament can influence legislation that will affect every one of our constituents—and because we promised a referendum, as did all the parties—this should be going out to the people in a referendum. Why are we afraid of that?

Mr. Drew: Not only did we make a clear statement in our manifesto at the last election, but ours is the party that fought for a referendum on Maastricht. Some of us who may not have been in this place at that time would have liked a referendum on Maastricht, as we could have rejected it. As Opposition Members said earlier, we would not be in the current mess if we had rejected Maastricht.

Kate Hoey: I entirely agree. I was here, and I voted against the Maastricht treaty. My party had told me to abstain. I was telephoned by the then leader of the party, the late right hon. John Smith, who told me that I would be sacked from my post as—I think—citizens charter and equality spokesman; some may remember the citizens charter, way back. So I know all about Maastricht, and my hon. Friend is absolutely right.

We hear all the time from the Opposition Front Bench about the Opposition not having a referendum on Maastricht. The difference is that the Opposition did not promise a referendum on Maastricht, whereas we did. I believe that the whole treaty is no different really, and that therefore we still need the referendum.

Mr. Shepherd: The Chairman of the European Scrutiny Committee, the hon. Member for Linlithgow and East Falkirk (Michael Connarty), introduced the concept that we, as a people, were perhaps too dumb to address the issues in a constitutional treaty of this nature. "Why should that be entrusted to the people, when we are the specialists?" he seemed to be asking. But let us think back. We have had 34 years of the divinity of the European Union, and all its wondrous works are on display for the poor dumb public to appreciate. It does not take a Murdoch press to tell the British people what to do; the demand for a referendum springs from a

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democratic instinct that something is profoundly wrong. Perhaps the hon. Lady could remind her colleague that this is still a democracy, and that in the end we believe in the people.

Kate Hoey: I pay great tribute to the hon. Gentleman, who I know cares passionately about democracy. I personally feel confident that the public whom I represent are clever enough, and understand enough, to make a decision on the referendum without having to listen to any of the media, because I happen to believe in the overwhelming interest that they have in it. I believe that we should trust their ability to listen to the arguments.

I have not gone into the detail, because many other Members have gone into great detail. In fact, I do not care how much detail we go into on this European treaty, because the detail into which I have gone, and the amount that I have read, has convinced me—and has, I think, already convinced the country—that it is more or less the same treaty on which we were promised a referendum last time.

I am proud to be a Eurosceptic. I do not consider that "Eurosceptic " should be used as a term of abuse, although some people, including certain of my colleagues, may want to use it in that sense. I mean that I am sceptical, cynical and realistic about what goes on in the European Union. I am not anti-Europe and I am not anti any European country, notwithstanding the argument that is now pushed, by the Government, in particular, whenever a Member raises a single query or makes a single point about the huge bureaucracy and the huge costs of the European Union. We do not need a referendum on whether we should be in or out. What we do need is a detailed, independent cost-benefit analysis. We need to know whether what we are getting lives up to all the promises that have been made.

As I have said, I am proud to be a Eurosceptic, and I will continue to be a Eurosceptic. I hope that, even at this late stage, we will see action from the Government and the Prime Minister, who so bravely took the lead on Zimbabwe. I was very pleased that the Prime Minister did not go to the summit, and disappointed that the Council will not discuss the issue this week. I hope and believe that the Council will live to regret what it did in allowing Mugabe to go to Lisbon.

I do not want to digress, however. I am proud to be a Eurosceptic, and I will ensure that, as far as possible, my party sticks to what it agreed—and that means that we need a referendum.

7.54 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): As the hon. Member for Birmingham, Edgbaston (Ms Stuart) observed, there is a sameness about these debates. We go over common ground—but it is the very ground on which this Parliament is built, and the very ground on which we live. It is about ourselves again, this debate: that is all that it has ever been about.

Germany must do what Germany must do, as France must do what France must do. But in this debate, in these proposals, now over 34 years old, in the strong drift towards the creation—or attempted creation—of a federal state, the same question nags away. Who governs? To whom is this Parliament accountable? It is not accountable, surely, to a Commission in Brussels. It is not accountable to institutions formed by others. It is accountable to the people who sent us here.

There was a joy, in that at the last election all three parties promised that the people should be invited—no, not invited, but should be given the right, which we would express by law—to take part in a referendum on this treaty. I do not think that we need deal with the Liberal Democrats' position, which remains as curious as ever, and my own party's position will come under more intense scrutiny as the weeks go by, but Labour's 2005 election manifesto promised this:

> "We will put it"—

the European Union constitution—

> "to the British people in a referendum and campaign wholeheartedly for a 'Yes' vote".

That was the undertaking given by the Labour party—the Labour Government, in fact—and the then Prime Minister made it clear not only that the British people would have their say on the EU constitution, but that if the constitution were rejected he would not sign up to what was simply an amended version. At the time he said:

> "We don't know what is going to happen in France, but we will have a referendum on the constitution in any event—and that is a government promise".

He went on to say:

> "what you can't do is have a situation where you get a rejection of the treaty and then you just bring it back with a few amendments and say we will have another go".

But is that not exactly what is happening now? That is the deceit.

I have no intention of going into why paragraphs and so on are replications of the other constitution. What I want to talk about is the central trust. This House is at the lowest ebb of my lifetime. People's contempt for our institutions and our Parliament is at a level that I have never perceived before. Why? Because we are not trustworthy. That is the truth. People do not believe what we say. How could one believe the Foreign Secretary after his embarrassing performance today?

Fortunately, the Foreign Secretary has a more mobile, expressionful face, and more mobile, expressionful actions and gestures than any Minister I have ever seen. He is like the itchy schoolboy—the clever itchy schoolboy. I toyed in my mind with whether this was a new Bevin. Was this Ernie? No, this was no Ernie; this was his master's voice, although I was not sure whether I was hearing the gramophone or the dog that used to sit by the gramophone.

The truth is that this was a poor, poor performance. Every time the Foreign Secretary heard an argument that contradicted the line that was to be taken, his face played out the drama. But an interesting theme developed. Slowly there came that Ceausescu moment when he realised that not everyone bought the line that he was sending out. This is not a convenient House when your own colleagues start pulling apart some of the detail.

And that wretched European Scrutiny Committee! Whose job was that? Do you know, they actually had the impertinence to suggest that there should be a block on the necessity for a debate? Why, no; we were going to talk about much important things—much more important things—things that we cannot do anything about. That is the essence of the Foreign Office now: "We're going to deal with Darfur with a European initiative. We're going to deal with Zimbabwe with a European initiative." No one believes a word of it. It is posture. That is what we saw today on two legs: outrageous posture.

Mr. Cash: Outrageous.

Mr. Shepherd: It is outrageous, because of the profound promises made by all three parties, but most of all because of the party of government's promise that the people would have a referendum. Our youngest Foreign Secretary thinks that it is such nonsense. He can grin away, and he can spoon down the medicine from my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), our Front Bench spokesman, to try to brush this aside, but in truth we can talk to each other out there. The people who sent us to this place hear things and understand what has happened. They understand that those who promised things do not keep their promises.

The election addresses or manifestos of most Labour Members of Parliament will have contained the fact that they personally were committed to a referendum. Each one of them will stand in front of an electorate: it is not so far off. I may think that two and a half years is a millennium away, but it will come round faster than anyone thinks. They will stand in front of an electorate and the awkward little man or woman whom they did not deign to hear or did not want to know about, except to get them through the previous election, will say, "But didn't you promise me a referendum?"

That is why we are in a crisis. The integrity of what we do and say represents the profoundest trust in British politics. People have to believe us when we say that it is necessary to go to war. They have to believe us; otherwise we are nothing. That is what we and the Government are betraying. I cannot conceive how the Prime Minister could have got into this position, but the cult of spin is so deep now in our political processes that they believe—we believe—that we can say anything to justify almost any position that is subsequently taken. I have finished my contribution to this debate, because it is about one thing. This House and every Member in it has a duty to hold their own party and this Government to the undertaking given freely and openly to the British people in the quest for high office.

8.2 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I agree with every word said by the hon. Member for Aldridge-Brownhills (Mr. Shepherd). As Paul Simon might have put it, today has been a day of miracles and wonders. We heard the revelation from my hon. Friend the Member for Vauxhall (Kate Hoey) about how her job as shadow spokesman on the citizens charter was threatened. I can announce that my job as Opposition spokesman on the cones hotline was threatened at the same time.

We heard the outstanding contribution from the Liberal Front-Bench team. The Liberal Democrat spokesman, the hon. Member for Cheadle (Mark Hunter), brilliantly deployed the strongest and most effective arguments for bringing back the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) that I have heard, and ended up by saying that we should have a referendum on the referendum that the Labour party had in 1945. Why not go further back? Why not have a referendum on the treaty of Versailles? That would be about as useful in the present situation. What are the Liberals proposing to have a referendum on? Would it be a referendum on Europe as it will be following this constitution? Would it be a referendum on Europe without that constitution? That is the crucial issue. They will have to hold a referendum on the constitution at some stage, otherwise their approach makes no sense.

Most exciting of all was the revelation from my right hon. Friend the Foreign Secretary, whom of course I strongly support, that next year we shall be facing 20 days of total futility. That is the promise that he has held out to us. We shall be discussing a constitution, which is called a treaty—the constitution that dares not speak its name—for 20 days, but we cannot make a single change to it. We cannot put in a full stop or a comma, and we cannot do anything about abhorrent apostrophes. I am already looking at holiday brochures and wondering whether the Commonwealth Parliamentary Association is having any decent trips that I can go on to get away from that discussion. The most futile exercise that we have had in this House will be fascinating.

Kelvin Hopkins: I agree with my hon. Friend. It is rather like having marriage guidance after one has been divorced.

Mr. Mitchell: I thank my hon. Friend for putting it so effectively. It was said by some Labour Members that when the Conservatives were in power they did not hold a referendum on Maastricht. It does not matter two hoots whether they held a referendum on that, because it is dead and gone. The question is what to do now. If we are saying that the Labour party has been so strongly converted to the policies of Margaret Thatcher that we are going to do exactly as she did on all issues, I shall shortly be resigning from the Front-Bench job that I have not got.

What is the use of discussing something that we cannot change? It is important to amend this constitution, because it will be our constitution if it is passed—it will say what we can and cannot do, and it will take powers away from this place. It is thus important that we are able to have our say on it. It will make us part of a larger entity—a larger state—and it will close the door on that. That is what it is about. If we cannot change that and if we cannot put it to the people, we are futile and useless. As the hon. Member for Aldridge-Brownhills said, we cannot change it even one teeny-weeny bit, and that makes us look silly, futile and useless. It shows contempt for the people who elected us, because they elected us to do a job. They elected us to use certain powers that they gave us, but those powers are being taken away and we cannot say yea or nay on the matter.

It is clear that the people do not want this treaty/constitution. The polls that I have seen indicate that about 81 per cent. of people want a referendum on the constitution—over Europe as a whole, 70 per cent. or so want a referendum. Why cannot they have one? Why cannot our people have one? We cannot say that a vote on a three-line Whip, in which Members who are doubtful about the whole proposition will rally behind the party line, is a substitute for, or an alternative to, a

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referendum—it just is not. There should be a free vote in any event, but that is particularly the case when there is to be no referendum. We are in this situation because of the way in which the European Union works.

Mr. Drew: On the three-line Whip, I have been encouraged to come along to make enthusiastic statements in support of the need not to have a referendum because the overwhelming case for the new treaty is such that we do not need one. Am I somewhat bemused about why I am in this place today? I am at least a little confused, so can my hon. Friend help me?

Mr. Mitchell: Confusion abounds, as my hon. Friend says. I came along all fired up, having limbered up courageously all weekend thinking that I would take the brave step of voting against my Government, only to find that we are not going to have a vote at all. Everybody has been fired up with different expectations—intellectual clarity was the last expectation of all.

We are in this mess because of the way in which Europe works. It is a construction of the European elite—they know better than the people what the people want, so they are going to give it to them. They feel that they are justified in building the ever-closer superstate by lies, half-truths and manipulation—by any technique available—dragging Governments behind them, however reluctantly. They exclude the people from the process, because in these matters the people's views are dangerous. People might actually oppose something, negate something or vote against something that the European elite want. I am afraid that in a democracy that is the risk that they have to take, but it means that there has been a crab-like progress towards the superstate.

I visualise Europe as a kind of great amorphous blancmange edging slowly towards the superstate, overruling and engulfing anything that stands in its way. The treaty/constitution is a major step towards the superstate—it is the topping-out ceremony of that superstate. We should have a quiz in schools and for the public. What does one call an entity that has an army, a defence policy, a foreign policy, an economic policy, a currency, a president, a public prosecutor, a Bill of Rights, an immigration policy and a trade policy?

Mr. Drew: A federal state!

Mr. Mitchell: Exactly. We are being asked to enter a federal state whose policies we cannot control and to which we are forced to hand over powers. We have to do as the majority in that federal state decides. It is a state to which we are subordinate. That is what the treaty creates.

We should cast our minds over all those successful common policies that have evolved in Europe over the years. As I come from Grimsby, I think primarily of the common fisheries policy. What a success that has been for conservation, fish stocks and the development of a healthy fishing industry, especially in this country. What a success the common agricultural policy has been. How inexpensive, how wonderful, how marvellous it is, and what great benefits it has brought in putting up food prices for the family of four by £20 to £30 a week more than if bought on world markets. What a successful policy economic and monetary union has been. It has turned Europe into the high unemployment, low growth black spot of the whole western world because of its deflationary effect. That has been made worse by the rise of the euro.

We are told that we need this reform treaty—not this constitutional treaty, because we are not allowed to say that—to make Europe more efficient. What is wrong with the way it is working now? The London School of Economics tells us that Europe is working perfectly well and does not need these reforms. What is so disastrous about the—

Jon Trickett (Hemsworth) (Lab): I am trying to understand my hon. Friend's position. I came to the debate today thinking that we might have the chance to introduce some amendments to the treaty. If it is not amended, I might be persuaded to vote for a referendum, but my hon. Friend seems to suggest that it is not worth amending, because the EU project as a whole is such anathema to his politics. He appears to be more interested in a referendum on the whole principle of the EU. Is he in favour of trying to amend the treaty, as I am, and then, if we fail to amend it, of talking about a referendum? Or does he want a referendum, come what may?

Mr. Mitchell: If that is the message that my hon. Friend has received from my speech, I have been speaking to no purpose for the last 10 minutes. He clearly has not understood a word of it. I shall use less elegant language in future so that my message gets across. I want to be able to alter the treaty, but I want to submit it to the British people to get their opinion on it, because that is the all-important opinion. It is the powers of this Parliament that we are surrendering—

Michael Connarty: Am I correct in thinking that, given the opportunity, my hon. Friend would want to pull out from the 1972 treaty? He appears to be taking a similar position to the most extreme Eurosceptics who want to renegotiate our membership of the European Union, or the common market, as it was called in its earlier years.

Mr. Mitchell: I am not saying that either. My hon. Friend seems to think that the people are not qualified to make a decision on this issue, because their minds would be seduced by Rupert Murdoch. I am sorry that he has such a low estimate of the intellectual ability of the people of this country. A referendum is the only way to decide it. We do not have the right to hand over these powers. We hold them on behalf of the people and it is not our responsibility to hand them over to Europe. This treaty would hand those powers over and that is a decision that only the people can take.

Jon Trickett: My hon. Friend's position is unravelling slightly. If a series of amendments were to be agreed by the House, which is not inconceivable, is it not possible that a proposal may emerge that is so diluted that it is not worth putting in a referendum? The logic of trying to amend the legislation is to bring it to such a point that it no longer changes the constitutional nature of the UK and its relationship to the European Union. At that point, a referendum is not needed. My hon. Friend suggests that he wants a referendum come what may.

Mr. Mitchell: I want a referendum because I promised a referendum in my election literature. The party promised a referendum on the constitution. This document is effectively the constitution. Some 96 per cent. of this document is the same as the constitution. The European Scrutiny Committee agrees with that. Angela Merkel says that it is the same as the constitution. So does Bertie Ahern. Who is right? Are they right, or is our Foreign Secretary right when he says that there is a fundamental difference? He did not tell us what the difference was, but he said that there was a fundamental difference.

If the House succeeded in amending the treaty, it might become more acceptable, but my hon. Friend the Member for Hemsworth (Jon Trickett) should put that to the Government, not to me.

Kelvin Hopkins: My hon. Friend the Member for Hemsworth (Jon Trickett) suggests that we can amend the treaty, but we cannot. We either accept it or reject it. The Government can negotiate opt-outs, but they cannot amend the treaty. To suggest that we can is illusory. The people of Britain want a choice on whether to support this treaty. If it is defeated, we would revert to the status quo, although that is too far in my book.

Mr. Mitchell: I thank my hon. Friend for saving the situation. I am surprised that my hon. Friend the Member for Hemsworth does not want to modify the proposals from the Government in any way. That is a good position for a loyalist, but I did not realise that it was his.

Jon Trickett: My hon. Friend provokes me. My position is that the legislation is unacceptable as it is and, if it is unamended, we should attempt to secure a referendum. However, my first objective—it should be the first objective of us all—is to try to produce acceptable legislation. I realise that that gives the Government a problem, but it is not a problem for Back Benchers. My position is to seek amendments and, if we fail, to attempt to secure a referendum.

Mr. Mitchell: After saying that, my hon. Friend accuses me of being confused. Has he thought of joining the Liberal Democrats in their mess on this issue?

The truth is that our previous Prime Minister was naively enthusiastic about Europe and thought that, as a great persuader, he could persuade the people to accept the constitution, which he wanted. The present Prime Minister is more sceptical about the whole business—good on him—and regards it as a nuisance. It is something that he has to put up with, which is how the previous Prime Minister regarded Parliament. The present Prime Minister wonders why he should waste his authority on fighting a battle in Europe that he will lose because the majority will be against him and then on putting it to the British people in a referendum that he knows he will also lose. That is how people decide whether to have a referendum—they ask, "Will I win or will I lose?" The Government know that they will lose, so they are not having a referendum, but that displays an intellectual contempt for the British people.

Mr. Shepherd: It is more dire than that. The Government pledged to have a referendum. They have not so much reneged on that as completely changed their policy. They are denying the position that they held yesterday, and that is the greatest betrayal.

Mr. Mitchell: In politics, we all stand on our heads from time to time. I came into a party in the 1970s that was sceptical about Europe. In the 1980s, the party was totally hostile to Europe and said that it wanted to come out of it in the 1983 manifesto. The party then grew warmer towards Europe, and under the previous Prime Minister it was positively enthusiastic about Europe. I have remained true and consistent. My view is, "Thus far and no further." We are talking about powers that belong to the British people, which can be surrendered only by the British people.

I will not go on about it, but I have other criticisms of Europe, too. It has to be said that it is a major economic drag on this country. We do not receive the benefits that everybody claims we do. It must cost; membership costs. After 2013, contributions will go up to £20 billion gross, and £6 billion net—a doubling of the net contribution. That is a burden on our gross domestic product. It is a burden of about 0.5 per cent. on growth, and growth is cumulative. Had we had that 0.5 per cent. in the past 10 years of economic growth, in which the average was 2.5 per cent., we would have had 3 per cent. growth, and we would have been a much more powerful economy. We did not have it; is that a price worth paying?

Michael Connarty: Will my hon. Friend give way?

Mr. Mitchell: I will not take another intervention: I provoke people too much. I love my hon. Friend, but I say "Thus far and no further" to him and to Europe. It is right to ask ourselves whether the price is worth paying—I do not think that it is—but that is not the issue right now. We need to co-operate with other states, but we can do that through multilateral negotiations. We do not need to finance gleaming palaces, a pretend Parliament, the Parliament's huge carbon footprint, which extends from Brussels to Strasbourg, and all the other paraphernalia. We should reach deals with other countries, one by one.

Michael Connarty: Will my hon. Friend give way?

Mr. Mitchell: Oh, all right.

Michael Connarty: I am grateful to my hon. Friend; I knew that I could persuade him to give way. I respect his position, because he has held it for a long time and it is precious to him, but does he really believe that the European Union that we joined should have remained as it was, and should not have developed to allow the former Soviet Union countries to join and develop their economies? I have had the benefit of travelling to all those countries, both pre-accession and since they became members of the European Union. Portugal, Spain and Greece were poor countries, compared to us. Is it not right that we should spread that prosperity, or should we just hang on to our own little bit of wealth and power?

Mr. Mitchell: The main aim of the Government and MPs of this country is to make this country richer and more powerful. If we become richer and more powerful, we can decide whom we help and support, and to whom we give aid. The country should go where we want it to go, rather than where it is compelled to go by the European Union. I am not opposed to helping the

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newly emerging states; I am just saying that there are other ways of doing it than by financing a huge bureaucracy in Brussels. I am not negating the case for aid, and I do not negate the aim of helping those countries. I said that I wanted multinational co-operation on those issues. However, we have to ask ourselves whether what is proposed is the best way of achieving that, and whether our aim is furthered in any way by the treaty that has been foisted on Parliament and the British people, although it should not have been.

8.23 pm

Mr. David Heathcoat-Amory (Wells) (Con): I am in the happy position of agreeing with most of the preceding speakers, certainly on the great question of the referendum. In particular, I agree with what my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) said: political trust between the electors and the elected hangs by a thread, and grave damage will be done if all the political parties break the promise, so freely and so recently made, to consult the people on the question of the so-called European reform treaty. It is, of course, not a reform treaty; it was never seriously intended to reform the European Union institutions. It was intended to strengthen them. I also agree with the hon. Member for Great Grimsby (Mr. Mitchell), who has just concluded: we are considering not simply a European constitution, but a constitution for this country, because it defines and alters the powers of the House and, by extension, the powers of the people whom we represent.

When powers are transferred away from the House, not just our democracy, but the fundamental powers of the people, are degraded. Our democracy is not being replaced in any sense by a European democracy. There is no such thing as a supranational democracy, and it certainly does not exist in Europe. People have no sense of involvement in, or ownership of, the decisions made in their name in Brussels, and that is dangerous, particularly as issues such as criminal justice are now being involved. People assent to laws under which they may be imprisoned or fined if, in every sense, they are their laws, if they have a real and immediate opportunity to vote for or against them, and if they can talk to and consult the people who pass them. All that is absent in the European Union, and it will get worse, not better, if the treaty is passed.

In two days' time, the Prime Minister will assent to the treaty. If he has the courage, he will sign it itself; if he lacks the courage, he will get someone else to do it for him. It is a disgrace that the motion before the House is

> "That this House has considered the matter of European affairs",

whatever that means. We ought to be debating a substantive motion. The truth is that we have not considered the matters in any real detail. The only opportunities that the Select Committees have had has been when it is all too late, and when the decisions have all been made.

To rewind a little, in January this year, two Sherpas were appointed by the Government. Well, they used to be called Sherpas, because they were there before a summit. I think that they are now called "focal points", in the modern jargon. One was from the Foreign Office, and one was a minder from 10 Downing street. They were appointed to help the German presidency to draw up a successor to the European constitution. We know that the British Government did not like the constitutional treaty.

The hon. Member for Birmingham, Edgbaston (Ms Stuart) and I spent nearly a year and a half of our lives in Brussels, working on the Convention on the Future of Europe and negotiating the constitution. I sat one seat away from the right hon. Member for Neath (Mr. Hain), who was representing the Government. An unfortunate, rather bemused but charming Romanian sat between us and kept us apart, but I watched the Government representative. He tabled scores, perhaps hundreds, of amendments on behalf of the British Government, only a handful of which were ever accepted. That is on the record, and we know from that that the British Government did not like the European constitution and much of what was in it, although they accepted and signed it. However, it failed; it was turned down by the electorate of France and Holland. They are now colluding in bringing it back.

Throughout the first half of this year, the Sherpas or focal points discussed matters with the German presidency, in order to revive the substance of the treaty while altering the terminology—those were the instructions given to member states. The Select Committees concerned tried to get information from the relevant Ministers. In an earlier intervention, I quoted from a public letter that the Select Committee on Foreign Affairs had sent, reprimanding the Foreign Office for

> "a failure of accountability to Parliament."

That is a pretty serious charge. The European Scrutiny Committee, whose distinguished Chairman spoke earlier in the debate, said:

> "The Committee feels that despite repeated enquiries, they have encountered significant difficulty in securing any information from the Government on the proposals under consideration or any indication of what it favours and opposes."

That is an outrage. For six months we were completely unable to get at what was happening in the negotiations in our name. Much worse was to follow. On 19 June, the German presidency produced a draft text of the revived treaty. Two days later, it was agreed at the European Council summit in Brussels. The Council agreed the text politically, and since then there have been no substantive amendments. It has become a little bit worse for the United Kingdom, but essentially the matter was all over at that Council meeting. For those crucial two days between 19 and 21 June, a text was available. It went around Whitehall, although we do not know to what extent. We have asked the Government which Departments were consulted, but they have not told us. The House was completely excluded, as were the public, so the only time that we ever saw a text was after it was agreed.

The European Council itself is a secretive organisation: minutes are not published, so we do not know who said what, what negotiations took place or what the British Government's position was. Conclusions are published, which did not just agree the German presidency's text but, remarkably—and I think that this is unprecedented—said:

> "The present mandate will provide the exclusive basis and framework for the work of the IGC".

The Council did not only agree the treaty but told the subsequent intergovernmental conference to take it forward on an exclusive basis. No changes were therefore possible, as the treaty was agreed in totality.

That 48-hour window is important, because it was the only opportunity for the House to break into the magic circle that negotiated and discussed the matters in secret before presenting a fait accompli to the Council. No public involvement was possible at all, which makes a mockery of all the promises and rhetoric about public involvement and building a people's Europe. It even contradicts what the June European Council said:

> "The European Council emphasises the crucial importance of reinforcing communication with the European citizens, providing full and comprehensive information on the European Union and involving them in a permanent dialogue."

How can we involve people in permanent dialogue if we do not tell them what is going on? Even their elected representatives in Parliament were completely unable to crack that secret circle and find out what was happening.

Ms Gisela Stuart: It is easy to be critical of the Government—and I agree with much of the right hon. Gentleman's criticism—but the House must be extremely critical of itself. He will recall the Special Standing Committee that was set up during the Convention. It had a potential membership of over 1,000, because any Member of the Commons or the other place could attend. For 18 months, we struggled even to attain a quorum of 12 people, so the House needs to be very critical of the way in which it engages with matters European.

Mr. Heathcoat-Amory: The hon. Lady makes a fair point, but she would accept that, although the Convention on the Future of Europe produced a terrible outcome, it took place in public. People could come along and find out what was happening. I agree that we must improve our scrutiny of procedures. It is extraordinary that the European Scrutiny Committee, of which I am a member, should meet in secret. We must ventilate the whole system and let light in.

The hon. Lady would agree that there is a valid charge of hypocrisy to be made against the European Council, which proclaims the desirability—indeed it said that it is essential—of bringing the public along, consulting them and explaining what is happening, only to conduct all the discussions in secret. Now, it is all too late: the European Scrutiny Committee and the Foreign Affairs Committee are conducting inquiries, or have already done so—the ESC has produced two very good reports—but essentially we are auditing something that has already happened. The Government persisted with their crime. An English text was not available for nearly a month and a half after the June summit concluded and the House had gone into recess. Remarkably, there is still no consolidated version of the text. There is only a confusing document with cross-references, which is completely inaccessible to the public.

At the time, we had a weak Foreign Secretary and a Foreign Office that was consistently overridden and excluded by No. 10. Someone in the Government or in the Cabinet should have tried to bring the lofty rhetoric about a people's Europe into line with what was really happening. There is another doleful consequence. Relieved of the obligation of having to explain themselves to a Parliament or to a people, the Government acceded to a text that was, and remains, completely incomprehensible. Secretive and incomprehensible behaviour is the EU's besetting sin, and instead of curing that disease, we have reinforced it.

As for the text that was produced, it is clear from today's debate that the reform treaty—or the Lisbon treaty, as it is to be called—is not the son of the constitutional treaty but its twin, and probably its identical twin. If anyone is in the slightest doubt, I refer them to the table in the first of the two reports by the European Scrutiny Committee, which helpfully sets out all the articles in the constitutional treaty and all the articles in the reform treaty so that a comparison can be made. The Government were asked to do that, but they refused, so a Committee of the House undertook that laborious but important process. Anyone looking at that table would conclude that the reform treaty is almost identical to the constitutional treaty or, in the words of the report, "equivalent".

There are a few differences, for instance, on symbols. The hon. Member for Cheadle (Mark Hunter), in his truly dire contribution, advanced the proposition that it was a completely different treaty, because the symbols had been removed. He is right to the extent that the articles that mandate the stars on the flag and the anthem have been removed. However, they have been in use for 20 years, and they will not stop being used just because they are not in the Lisbon treaty.

Also, I am glad to say, 9 May is no longer to be the day on which happy European citizens are all to be on the streets thanking everybody for how lucky they are to be in the European Union. That has been dropped. Is it seriously the position of the Liberal Democrats that the dropping of the symbols in a treaty is such an epic event as to mean that we need not have a referendum on it now?

As the text is identical, the only real difference is that the structure has changed. It is only in that sense that the constitutional concept is abandoned. The constitutional treaty unified the two main European treaties into a single text. The Lisbon treaty does not do so. Only in that respect can we say that the constitutional concept is abandoned. So when the Prime Minister repeats that phrase from the conclusions of the European Council, and the Liberal Democrat spokesman did it to try and strengthen his case, they are referring only to the form—the packaging—of the treaty. In substance and legal effect, the treaties are virtually the same.

We are concerned about legal effect. The transfer of powers upwards from the House to the EU, the vast extension of majority voting, and the fact that EU goes into new areas such as criminal justice and a great deal further in foreign affairs and security—all that is the same. There are a few name changes. The Europe Minister is to be called High Representative. People impressed by names and cap badges will think that the treaty is different, but in substance, it is the same. The referendum promise that was made by the previous Prime Minister is as valid now as when he made it.

There are a few more fantasies around. The Foreign Secretary said that national Parliaments would benefit from the treaty. That is completely untrue. National Parliaments suffer from the transfer of powers to the EU that I have described. The scrutiny powers will go.

[Mr. Heathcoat-Amory]

When the High Representative is conducting foreign policy on our behalf, how can the House or its Select Committees scrutinise that foreign policy? Our powers are going, and that calls into question our very democracy. What will be the point of having elections, when the people elected to the House do not control matters such as criminal justice, asylum policy or immigration policy?

The "Why vote?" question becomes virtually unanswerable. The Government are anxious to get people to vote. The Mayor of London thinks that we should all have lottery tickets instead of ballot papers to try and persuade everybody to vote. People will lose interest, not just in the House, but in general elections themselves if the issues that they are being called on to decide are decided, after a general election, not in the House but in another jurisdiction, in the European Union, over which they have only the most vestigial control.

There is a pretence that our loss of powers is somehow offset by new abilities to question EU measures on grounds of subsidiarity. That is an illusion. We can already object to measures on grounds of subsidiarity—our Select Committees do that—and the European Commission can go on ignoring our objections, as they will be able to do under the new treaty. It is a total sham to suppose that the House has its powers strengthened in any way.

The only remaining fig leaf is the red lines, on which the Government are increasingly trying to rely. They are supposed to salvage some powers of self-government, but the European Scrutiny Committee reports show how very flimsy these are. I shall not go into the details to show how the red lines are vulnerable. Those are available in the reports, and hon. Members should read them.

I shall make the general point that if and when the treaty is ratified and takes effect, lined up against the Government on the question will be most other member states, the European Commission and the European Parliament, all of which strongly disapprove of the red lines. They do not like them, they will try and undermine them, they will try and erode their legal powers, and they will have an ally—the European Court of Justice. That court will be the arbiter and there is no appeal against it. The European Court is protective of European Union power.

That was illustrated recently in an interesting case about a man called Tillack, who was a journalist working for *Stern* magazine. He reported on European Union corruption—not a difficult thing to do, given how widespread it is. Great offence was taken by OLAF, which, unbelievably, is the anti-fraud office reporting to the European Commission. It resented the work done by the journalist, so it reported him to the Belgian police and asked them to raid his home and office in order to try to get at his sources. That was done and they took away his papers and his computer, which they refused to give back. Eventually, the European convention on human rights was invoked and the Strasbourg Court found for the journalist, compensated him financially and awarded him costs.

What is significant is that the European Court of Justice, which looked into the matter earlier, did absolutely nothing to support the rights of the journalist. It found against him because it has a vocation to support the powers and privileges of the EU. That is reinforced by the new treaty. Again, I am staggered that the Government did not mind about that. Article 9 of the new treaty says:

> "The institutions shall practise mutual sincere co-operation",

and it lists the institutions. They include the European Council, the European Parliament, the European Commission and the European Court of Justice. So, in future, when another Member State or the Commission tries to undermine our red lines, we will be up against a Court that is enjoined by treaty law to practise sincere mutual co-operation with an institution that is trying to undermine our powers. It is not an independent body in that sense and the Government never raised any objections.

The whole process of so-called reform started in December 2001 with the Laeken declaration when Heads of Government meeting at Laeken realised that the game was up for the old Europe. People were rejecting it in referendums, turnout in European Parliament elections was declining and there was a general feeling of malaise. So it instructed Europe to democratise and it set up the Convention on the Future of Europe with a mission to simplify and bring Europe "closer to its citizens"—that was the phrase used.

I have mentioned how I and the hon. Member for Birmingham, Edgbaston had the honour to represent the House in those negotiations, and they failed. They produced a constitution that was turned down. I predicted that and it came as no surprise to me. But we have now resurrected the same legal powers and given the outcome another name, and it deserves to be rejected again. The instructions given to the process in the Laeken declaration were not just ignored, they were contradicted. We have not simplified, we have made matters more complicated. We have not made Europe democratic, we have made it less democratic. We have not brought it closer to the citizens, we have taken decisions further from the citizens. More powers are taken away from the citizens and their national Parliaments and are to be decided further away in the EU over more areas of policy.

The only way to resolve this is by referendum. With respect to some of the remarks made—indeed by the Chairman of my Committee—this is not simply a policy matter. I am against government by referendum. I am glad that I do not live in Switzerland. I would spend my time going down to the polling station to vote on everything and I do not believe in that. We have a representative democracy. So policy matters are fought out in Parliament. But the rules of that Parliament, and the framework in which this process takes place, must be set not by politicians but by the people. We are talking here about the rules of the game; about the powers of that Parliament. It is about who takes the decisions. Who are those people accountable to? Are they elected? Can they be removed? These are constitutional matters. They cannot be decided by Parliaments but by the people in a referendum.

8.49 pm

Chris Bryant (Rhondda) (Lab): Several hon. Members have already referred to the fact that debates on these issues get a bit samey and that we have been rehearsing some of the same arguments for years. It is beginning to feel a little like an episode of "Dad's Army", and we have some of the same characters. We certainly have hon. Members who say, "We're doomed, Captain Mainwaring, we're doomed!" One of them, my hon. Friend the Member for Glasgow, South-West (Mr. Davidson), is sitting beside me today, because he cannot climb up to the seats at the back. The hon. Member for Aldridge-Brownhills (Mr. Shepherd), who has just left the Chamber, is also in that category.

The hon. Member for Stone (Mr. Cash) qualifies as Jonesey, who always said, "They don't like it up 'em!" Wilson, of course, never wanted to upset anyone, always tried to be nice to everybody and could never make a decision—he, obviously, is represented by the Liberal Democrats. Then there was the flash Essex bloke who was always trying to sell an argument in a bit of a dodgy way; he is represented by the hon. Member for Rayleigh (Mr. Francois), from whom we shall hear later.

Mr. Mark Francois (Rayleigh) (Con): The hon. Gentleman mentioned that Wilson never wanted to upset anybody. That is why in 1975 Wilson offered people a referendum.

Chris Bryant: That is good; the hon. Gentleman is very flash, as I pointed out.

We also have our own Pike, the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski), from whom I am sure we are about to hear. Most importantly, we should note the fact that for the first time Captain Mainwaring, the right hon. and learned Member for Rushcliffe (Mr. Clarke), is not here.

Mr. Austin Mitchell: My hon. Friend is using television images. The image for the 20 days of futility next year will be "I'm an MP, get me out of here!" There will be commentary from Ant and Dec, who will say, "We've just eaten another load of eurotucker—and vomited!"

Chris Bryant: My hon. Friend, who I think has family in the television industry, has just applied to be on "I'm a celebrity, get me out of here!" Although he has a bit of the Christopher Biggins about him, I am not sure he would win.

Daniel Kawczynski: Will the hon. Gentleman give way?

Chris Bryant: I am happy to give way to the very friendly hon. Gentleman.

Daniel Kawczynski: The hon. Gentleman has compared me to Pike from "Dad's Army". May I suggest that he is like the warden, who was always toeing the party line?

Chris Bryant: In actual fact, the warden was always trying to make sure that Captain Mainwaring did not get his way. Perhaps I am the verger, rather than the warden—but I am grateful to the hon. Gentleman for his intervention.

Having started well in this debate, I move on to the elections in the Russian Federation. They show some very disturbing trends in Russian politics. As all the observers who have commented closely on Russia in recent years have pointed out, although the elections might have reflected the views of the Russian people, they were in no sense fair and free. Throughout the election period, 80 per cent. of the airtime on television and radio was devoted to the Government line. Every single independent television and radio station has been closed down by the Government, always for spurious reasons.

Journalists, particularly those critical of the regime, have been murdered in large numbers. One can imagine the row that there would be if a single journalist critical of the Government in this country had been murdered. The fact that there have been many such murders in Russia, without a single person having been brought to justice, is a sign of the repression of the media there. There is not only direct but indirect repression—there is an air of bullying around the Russian media. Free elections cannot take place without free media; they cannot be held without a pluralist media environment, and that does not exist in Russia at the moment.

Political parties in Russia have also been repressed. One of the requirements that Putin introduced was that a new party had to have 50,000 members before it could be started. The Liberal Democrats may not get 50,000 people voting in their elections this week, so they should look at what is happening in Russia and be fearful.

On top of that, the Government introduced a new law that increased the threshold that parties had to cross in order to gain seats in the lower house of the Duma from 5 to 7 per cent., thereby again limiting the power of smaller parties to be represented there. Non-governmental organisations have been repressed, including independent organisations such as Amnesty International, the British Council and others that were not founded originally in Russia by Russians, as well as Russian organisations themselves. That is very dangerous for civil society in Russia.

One interesting aspect that has not been much commented on is the fact that if a party secures a certain percentage of the vote in the election, it is forced afterwards to pay for the airtime that it had during the pre-election period. For instance, the Democratic Party of Russia secured only 0.13 per cent. of the vote in the elections and yet will now have to pay $6.1 million. As it is a very small party, that will almost certainly make it go bust in the next few weeks. Likewise, the Russian Social Justice party got 0.22 per cent. of the vote and will now have to pay $8.2 million.

For British interests, perhaps one of the most worrying factors of the elections was that Andrei Lugovoi was elected on the Liberal Democratic party list—not this country's Liberal Democrat party but the Liberal Democratic Party of Russia. That gives him yet further immunity from prosecution, which makes it even more difficult for the British Government to secure justice for the family of Alexander Litvinenko. It seems entirely possible that he will now be made Deputy Speaker in the Russian Duma. That would be a gross insult not only to that family living in this country but to justice in this country.

The results showed that the United Russia party—Mr. Putin's party—secured 64.3 per cent. of the vote. On top of that, the Liberal Democratic party, which is allied to the Kremlin, got 8.14 per cent. of the vote and A Just Russia, another Kremlin-aligned party, secured 7.74 per cent. of the vote. How do we know that those

[Chris Bryant]

parties are aligned with the Kremlin? We know because they have already declared that they will support whoever Mr. Putin supports to be president in next year's presidential elections. In other words, more than 80 per cent. of the vote and more than 80 per cent. of the seats for the 450-seat Duma have basically gone to one conglomerated party—the presidential party. That is worrying.

On a subsidiary point, if the Russian Federation can get away with having only 450 Members of Parliament, perhaps we, as a much smaller country, should begin to consider whether 650 Members of Parliament is too many and we should reduce our numbers—certainly the number of Members in the second Chamber. *[Interruption.]* I know that my hon. Friend the Member for Glasgow, South-West would like that to be abolished.

In the past couple of days, we have heard yet more worrying news. Having said last year that he would not anoint anybody as his successor but would leave it to the people of Russia and his party to decide who the candidate should be, Mr. Putin has decided that Dmitry Medvedev should be the candidate, thereby almost certainly securing the election for him. On top of that, we heard today that Mr. Medvedev has anointed Mr. Putin as the new Prime Minister. That example of Kremlin musical chairs is nothing other than despotic, and we should be worried about it. It might be that all this does not matter, but I believe that it does.

Daniel Kawczynski: Does the hon. Gentleman agree that it is very worrying how our ambassador in Moscow is being treated in being hounded repeatedly by the Nashi group, which is linked to Mr. Putin's United Russia party?

Chris Bryant: The hon. Gentleman makes a good point. The British Council has also been severely harassed over the past year, including by visits to its offices, making it impossible for it to secure new leases, and a whole series of things affecting even the teaching of the English language in Russia. That is to be deplored.

All this also matters for the people of Russia for the simple reason that every piece of work done on human rights there shows the growing use of torture throughout elements of the criminal justice system. Amnesty International's report last year made it clear that torture was endemic throughout the whole of Russia, despite the fact that the Russian Federation's constitution prohibits its use. It is also clear that there is a culture of violence in the police service and the security services, which means that many new entrants to those services have to go through acts of humiliation that inculcate yet further the process of violence.

The freedom of association and the freedom of peaceful assembly have both been undermined this year by changes in the law brought in by President Putin. It is disturbing to see that some of the techniques that we thought had disappeared with the Soviet regime are now coming back.

David Wright (Telford) (Lab): Has my hon. Friend noted that Russia has started to deploy aircraft over the North sea again? That has resulted in the RAF having to fly missions to intercept them, which is a worrying trend. He mentioned the tactics of the former Soviet Union; is it not time that Russia came clean about why it is doing that?

Chris Bryant: As ever, my hon. Friend makes an important and telling point. Indeed, I am particularly worried about Russia's suspension of its membership of the treaty on conventional armed forces in Europe, which was the cornerstone of the end of the cold war. It is absolutely vital that Russia returns to that.

I believe that the Russian Federation is now using, on a fairly systematic basis, enforced psychiatric treatment as a means of repression, much as the Soviet Union did. Indeed, sometimes it is using the very scientists who did it in the past. For instance, last year, Nikolai Skachkov, who protested against police brutality and official corruption in the Omsk region of Siberia, was ordered to undergo a psychiatric evaluation because investigators said they suspected he was suffering—this is a direct quote—from an "acute sense of justice". He subsequently spent six months in a closed psychiatric facility with a diagnosis of paranoia. An independent evaluation that was subsequently undertaken—not by the state psychiatric services—concluded that he was completely and utterly healthy. Indeed, I would suggest that an acute sense of justice is a sign of sanity, not insanity.

In addition, there has been a significant rise in the number of racist and xenophobic attacks in the Russian Federation, and threatening attitudes have been adopted by the Government towards neighbouring countries, most notably Ukraine, Georgia and Estonia. I believe, and I worry, that Russia under President Putin—however he rearranges the chairs in which all the various members of his inner Cabinet are sitting—is steadily, inexorably, ineluctably and quite determinedly becoming a totalitarian state, and we shall regret it if we do not say so clearly.

Having made those remarks about Russia, I would like to move on to issues relating to the European Union and how they impact on British policy. There are two countervailing pressures in European politics at the moment. On the one hand, there is a push towards greater segregation, and I am conscious of that as a Welsh Member of Parliament. There are those in Wales who want to see further moves to greater devolution, or indeed, separation, and that is true of some people in Scotland. It is also seen in many parts of Europe. Sometimes there is a strong local, regional or national urge for segregation and separation, which can be accompanied by quite aggressive forms of xenophobia. We have seen that in many countries in Europe in recent years. Sometimes there are specific attacks on migrants or, more indirectly, on the whole concept of inward migration.

Sometimes there are two specific ideological accompaniments to that belief in further segregation. One is a kind of Manichaeism, dividing the world into good and evil—we being the good, they being the evil. The other is a wholly partisan understanding of history. In a casual way, that sometimes plays itself out when it comes to voting in the Eurovision song contest, where people feel able to vote only for the countries whose views most closely resemble their view of the world.

As I said, there is a growing tendency towards segregation, but there is also a significant trend towards greater integration. One only has to walk down any high street in Europe to see the path towards economic integration, because there will be Zara and a branch of The Body Shop. Many of the elements of the economic future that everybody can enjoy are shared throughout the European Union. One of the results of the single European currency is that most countries that share the euro now have almost identical prices for large numbers of goods. The economic move towards integration across Europe is quite acute and often led by consumers.

Mr. Drew: There are still some of us who think that the euro has not been an unalloyed success. Indeed, many parts of Europe have faced economic depression because of the problems associated with it. Thankfully we stayed out and we have not faced those problems, so I wonder whether my hon. Friend is still in favour of joining the euro.

Chris Bryant: My hon. Friend knows that I am an ardent supporter of the euro. Whether I think we should join today, tomorrow, next week or in the next couple of months is quite another matter. For many countries in Europe, the situation is not quite as he suggested. For instance, the economic problems that Germany experienced, with high levels of unemployment, were far more to do with the integration of east and west than they were to do with German's membership of the euro. Spain has enjoyed an economic resurgence over the past few years, thanks in no small measure to its membership of the euro.

There are other respects in which we can see a move towards integration. For instance, I do not believe that a single European country now believes it will go to war on its own. That is certainly true of this country—we will never go to war on our own, unless there is an exceptional occurrence. That is quite a change from anything that has happened in the past. *[Interruption.]* I know that my hon. Friend the Member for Glasgow, South-West has a bad leg and is perhaps unable to get to his feet, but if he wants to make a sedentary comment—*[Interruption.]* No, he does not; good. The final reason for the growing trend towards integration is the effect of economies such as those of India and China, which are pushing us towards integration so that we survive economically.

Those pressures play themselves out in different ways. In Spain, there is a drive towards integration, because of the passionate support in Spain for further integration in Europe, and at the same time a drive towards devolution and separatism, in Catalonia, Galicia, the Basque country and elsewhere. In Belgium, the position is exactly the same. Belgium is passionately supportive of its membership of the European Union and proud to have many of its institutions in Brussels, yet is currently unable to form a Government because of the separatism between the French-speaking and Flemish-speaking communities.

In Serbia, the situation is exactly the same. Some 70 per cent. of Serbians want Serbia to be a member of the European Union, but Serbian nationalism is as ardent as it ever has been. However, it would be wholly wrong to suggest that EU membership for Serbia should be used as a bargaining chip in the negotiations on Kosovan independence. Even more importantly, we should not say that the four indicted war criminals—as opposed to others who have been accused of war crimes—should be used as a bargaining chip. It is essential that Serbia should surrender them to the United Nations war crimes tribunal so that they can see justice.

I want briefly to consider the position advanced by the shadow Foreign Secretary, the right hon. Member for Richmond, Yorks (Mr. Hague). As I understand it, his neo-conservative position on Europe tries to bridge those two strands in European thinking by focusing primarily on the need for a referendum. I have known the right hon. Gentleman for a long time. We were at university together and I even went to his 21st birthday party—that was a thing to recall. He has been a passionate and influential member of the Conservative party since he was 16, or however old he was when he gave that famous speech to Mrs. Thatcher. Despite his current position, I never remember him militating for a referendum on the Single European Act or offering to tender his resignation if no referendum was called on the Maastricht treaty; yet now a referendum is convenient for him, so he proclaims it.

Another interesting part of the right hon. Gentleman's policy, and that of his leader, is the desire to repatriate the social chapter and the ability to form employment and social legislation. In March this year, the right hon. Member for Witney (Mr. Cameron) said:

> "it will be a top priority for the next Conservative Government to restore social and employment legislation to national control."

On television, the right hon. Member for Richmond, Yorks said:

> "The powers we particularly want back are over social and employment laws because we have seen many of those affecting the laws of this country, the employment laws of this country, the European countries trying to impose their social model, as it is called, on Britain. That is what we have to change. That, of course, may be quite a lengthy process."

He was told:

> "Well, you'd be a lone voice because no other country would want to do that."

I would say that that was a fair point from whoever was interviewing the right hon. Gentleman, who then replied:

> "We might start out as a lone voice but actually there are many other countries, particularly in the east and centre of Europe, who increasingly share our perspectives."

The truth, however, is that not a single country in either the east or the centre of Europe shares that perspective. Not a single one has signed up to the suggestion that there should be a renegotiation of the existing treaties, let alone of the new treaty that is to come before us in the new year. Not a single party in any other country in Europe has suggested that that should happen. What the right hon. Gentleman is saying is that he believes that a British Government should, by definition, be a lone voice crying in the wilderness in Europe. I put it to him that that is a recipe for disaster and for isolationism in Britain. It might be a neo-conservative view, but it would be wholly impractical, wholly impracticable, and absolutely wrong for this country. If the Conservatives were to form a Government—that is a very big "if"—and to make a unilateral declaration of independence in that way, the courts would immediately want to take a view on what Britain was doing to its legislation. That would result in gross instability for British businesses just when they did not need it.

The Tory position is wholly incompetent in this regard. Hon. Members often say that they hate the common agricultural policy. I hate many elements of the CAP and the way in which it is framed, and I would

[Chris Bryant]

like to see it further reformed, but let us never forget that if there were no CAP, there would be a French agricultural policy, a Portuguese one, a Spanish one, a German one, a Greek one—

Mr. Austin Mitchell: And a British one.

Chris Bryant: And possibly a British one. All of them would do far more damage to Africa and other countries around the world. Furthermore, hon. Members often say that they dislike the fact that the European Union has been unable to sign off its books every year, yet they know full well that the area where there is most fraud is not the spending of the Commission but the spending of the member states. They are the same people who refuse to allow the Commission the power to insist on seeing the books of the member states so that that fraud can be tackled. Sometimes there is hypocrisy in the argument.

I am not a neo-conservative in any shape or form. I am an internationalist. I believe that enlightened patriotism means locking in the countries so that they can never go to war with one other, so that they cannot undercut one another on costs or on health and safety legislation, so that they can share their power and, yes, their prosperity, so that they can tackle international crime, climate change and human and drug trafficking, and so that they can better ensure the security of their people. Isolationism is not true patriotism. Our membership of the European Union is vital to Britain's economic and social interests.

9.13 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I shall have to curtail my speech somewhat, because of the length of the speeches made by certain Members who have spoken before me.

I should like to mention the EU-Africa conference, about which there has not been a great deal of discussion this evening. Twenty-six of the 27 EU leaders attended the conference. The only one who was missing was, of course, our own Prime Minister. I should like to congratulate the German Chancellor, Angela Merkel, on her stance. She attended the conference and used the opportunity to berate Mugabe and to highlight the anger that we Europeans feel towards him about what he is doing to his own country. It is a difficult situation, of course, because no one would want to shake the hand of Mugabe. Nevertheless, the conference was extremely important. Issues of immigration, aid, security, climate change and trade were all discussed.

I am a little concerned about the total focus on Mugabe. Having just returned from Darfur, where I saw the extraordinary suffering of the people of that region, and having met the President of Sudan, Omar al-Bashir, I believe that there are people in Africa who are just as bad as Mugabe, if not worse. Mugabe is awful, but he must not be allowed to stop important countries such as Great Britain from attending major international conferences. After all, billions of pounds of British taxpayers' money goes in aid to Africa, and it is vital for us to take part in those talks.

It is the first time that we have had such a conference in seven years. I know that I am in a tiny minority, because all three political parties have backed the Prime Minister's not going to the conference. I, however, must take the opportunity to speak out against it. I want to explain why. I feel passionately about the Helsinki agreement, which represented the first steps in the liberation of the eastern European countries. The great politicians of the west engaged for the first time with the dictators and oppressors of eastern Europe. It must have been difficult for Harold Wilson and his colleagues to meet people like Ceausescu, Brezhnev and other oppressors and dictators, but it was an important first step in securing freedom for that region. News of the discussions and the west's determination to get better human rights for the people of eastern Europe filtered through to those people on the BBC world news and through other media. I, for one, believe that the Prime Minister should have attended the conference, and I regret that he did not.

My second brief point, because I want to ensure that my two colleagues get a chance to speak, is on Kosovo. I met the Foreign Secretary of Serbia a few weeks ago and he impressed me greatly. He was one of the many young political activists who fought against the brutal dictatorship of Milosevic. Like many others, he put his life on the line because of his determination to fight that dictator and oppressor. Who can forget the terrible struggles of 2000, when we saw on television the courage of those people who fought the oppression and brutality of Milosevic? Of course, someone like the Serbian Foreign Minister, who is a democrat and a decent, honourable man—

The Minister for Europe (Mr. Jim Murphy) *indicated assent.*

Daniel Kawczynski: I am glad that the Minister nods in agreement. The Serbian Foreign Minister, obviously, is under a great deal of pressure from the Serbian people. The prospect of losing 12 per cent. of their sovereign territory will whip up many people in his country into deep frustration and concern. I hope that the Minister will meet the Serbian Foreign Minister over the coming days and weeks to discuss the issue.

We must never forget that Serbia has already suffered over Kosovo. It led to the war—where many people were killed—to sanctions against Serbia and to the bombing of Belgrade. I remember my first ever political demonstration in 1999, outside No. 10 Downing street with my Serbian friends. We campaigned through the night against the bombing of Belgrade, which I thought was terrible.

Finally, Cyprus, as the Minister will know, is against a forced decision on Kosovo. That would be seen as setting a threatening precedent in the EU whereby certain issues could be immediately imposed and fixed. To my knowledge, the Cyprus issue has gone on for at least 30 years. It is a difficult problem, but the Americans, and others, are not trying to force a resolution. Therefore, I believe that we must be more patient with Serbia, and not force a decision this month.

9.19 pm

Mr. Douglas Carswell (Harwich) (Con): So it goes on—once again, this House is debating the European question: which powers should be exercised at EU level and which should rest with member states? Once again, the political class argues about the handover of democratic decision making to remote functionaries.

The UK Government promised that the further transfer of powers to EU institutions would require a referendum, and so did half a dozen other EU Governments. Where people were asked—in France and Holland—they overwhelmingly voted against that. Despite the best efforts of the entire political establishment, the French and the Dutch overwhelmingly rejected the view of their masters. I venture that, had the people of Britain been asked, they too would have shouted an unmistakeable "No!"

Yet the political class gathering in Lisbon has simply overruled the people. Across Europe, democracy's veto has been counter-vetoed by the technocratic elite. Now we in the UK, like others in Europe, can only watch as those in the political class go ahead. We are powerless as they make the same net transfer of power under the reform treaty that they wanted to make under the original constitution.

When Hugo Chavez lost his recent referendum in Venezuela, at least he had the good grace to accept the outcome. In Europe, when the political bosses lose referendums they simply carry on. The Government talk about providing leadership in Europe, and I wish they would. Half a dozen EU Governments have reneged on promises to give their people referendums. If this Government wanted to give leadership, they would lead the way in offering people a referendum. In doing so, they would force other member states to allow their people a say. In allowing people a direct say, the Government would demonstrate that policy in Europe is not the preserve of the professional diplomatic elite, but the property of all the peoples of Europe.

In a few days' time, the European diplomatic corps will meet to sign the constitutional treaty. Their gathering, remote and exclusive, is a perfect symbol of what is wrong with the EU. Unaccountable and detached officials meet to make the decisions, but the people are kept safely away behind the barriers.

Our Prime Minister will stay away from the photo summit, and that too is a telling illustration of our relationship with Europe. We sulk, we are petulant, but ultimately, we are submissive. Nothing better illustrates what is wrong with our relationship with Europe: for all the petulance and grandstanding, in the end we go along with what has been decided.

Those of us who have campaigned long and hard for a referendum may well find that our wish, and the wishes of the British people, are simply ignored. The failure of the political establishment to allow a referendum will ultimately mean that the European project remains the project of the elite. It will be the preserve of the technocrat, the diplomat and the official, not of the people. Without a referendum, the EU project will lack democratic legitimacy, and without that legitimacy, it will not thrive. The question is, will it survive?

In conclusion, the failure to give us a referendum on this treaty denies it legitimacy. Political power held by institutions without democratic legitimacy do not stand for long. They lack stability, and are vulnerable. As communist Yugoslavia, apartheid South Africa and Soviet Russia all discovered, political institutions that lack democratic legitimacy ultimately fall apart.

One day, the people of Europe will challenge the EU's institutions directly. The days of deference to the diplomat and the technocrat, and to Foreign Office and the EU officials, will come to an end. On that day, EU institutions will find themselves without legitimacy—but less legitimacy for the EU is not necessarily bad. Indeed, the worse things get, the better they may one day be.

9.24 pm

Mr. Greg Hands (Hammersmith and Fulham) (Con): At the beginning of the debate, the bomb that exploded in Algeria was mentioned. I want to comment on EU relations with Algeria, which I visited last year. It is a country of enormous tragedy. It does not face starvation, drought, flooding or other natural disasters, but it desperately needs our help. We cannot rely purely on France to engage with Algeria. We in Britain need to do much more.

On the way to Algeria, I was struck by the fact that nobody was travelling economy to get there. That is a troubling phenomenon, because it means that no one is voluntarily going to that country. Business class was packed with people involved in oil, diplomacy and so on. Algeria is one of the few countries in the world that does not even have a guidebook. There is no "Lonely Planet" guide to Algeria, nor is there one to Iraq and one or two other countries. The position in Algeria is troubling, and I believe that we should be engaged with it.

I wanted to discuss the EU treaty, but it has dominated the debate. Despite the long speech of the hon. Member for Linlithgow and East Falkirk (Michael Connarty), some of the dangerous sanctions that the new treaty puts on national Parliaments have not been properly drawn out. Our Parliament will have a duty to contribute actively to the good functioning of the Union. Nobody can predict accurately what that will mean in practice, but criticism by elected representatives in our Parliament of the European Commission and its decisions might be out of order. National Parliaments, unlike the European Parliament, were not creations of the treaties, and our rights do not depend on them. The new treaty proposes for the first time that national Parliaments be subservient to the Union.

I had an interesting exchange with the Foreign Secretary at an evidence-taking sitting of the European Scrutiny Committee. I was amazed that he did not know the original French wording of the treaty and its provisions about national Parliaments. It was surprising, given that he said that he wanted to change it, that he did not know the original words. The treaty states that

> "National Parliaments contribute to the good functioning of the Union."

However, the French original makes it clear that national Parliaments should contribute—and have a duty to contribute—to the functioning of the Union. The treaty also provides that national Parliaments must "see to it" that subsidiarity is respected.

Our report of 27 November, which did not get so much publicity, states that the phrase,

> "National Parliaments contribute to the good functioning of the Union",

is one from which an obligation can be inferred. The Committee report continued:

> "Given its constitutional significance, we emphasise that this is not an area in which any ambiguity is tolerable and we shall look to the Government to ensure that its original undertakings are met in any new text."

[Mr. Greg Hands]

The Government have not fulfilled that undertaking—but I should be delighted to hear otherwise from the Minister for Europe in his winding-up speech.

A few weeks ago, the European Scrutiny Committee made interesting visits to two former Yugoslav republics of approximately the same size. I refer to the size deliberately, and also to the fact that they are completely or largely landlocked. They are the republics of Slovenia and Macedonia. The contrast is incredible. Slovenia is doing well. I had last visited Ljubljana in August 1991, when there was graffiti saying, "Slovenia will rise again". It was shortly after the Jugoslovenska narodna armija—JNA—had trashed most of the city. Slovenia has risen again, and is doing incredibly well. It recently overtook Portugal and Greece and it is about to overtake Spain.

The other landlocked former Yugoslav republic of approximately 2 million people is Macedonia, which is not doing as well. It has an excellent Prime Minister, Nikola Gruevski. We also met the Deputy Minister for European Affairs, Gabriela Konevska-Trajkovska. They are impressive people, who are taking their country slowly but surely in the right direction. I believe that things will get done there.

I have mentioned two former Yugoslav republics of 2 million people that are both doing pretty well in different ways and can stand on their own two feet, because there is a third part of the former Yugoslavia, which also has a population of 2 million and is landlocked and mountainous: Kosovo. There is no reason why Kosovo could not go it alone. I believe that it can. It has far bigger problems than Slovenia or even Macedonia, but if we believe in self-determination, we must have some principles when we approach foreign policy. If a country of that size can go it alone, we should support it.

There are some problems in terms of guaranteeing access for Serbs, and concerning the Serbian enclaves that are left—which have been dangerously ignored by our Government and by other European Governments. We must engage a lot more there. There should, perhaps, be a plebiscite for the Serbs living in the north of the country so that they can determine their own future. We also need to guarantee access for the Serbian people to the cultural sites that they find of such value to their culture, and, as I have said, we must do something significant about the Serbian enclaves. If we can do those three things, I cannot see any real reason why we should oppose Kosovan independence. I look forward to seeing that day.

9.30 pm

Mr. Mark Francois (Rayleigh) (Con): It is a pleasure to sum up for Her Majesty's Opposition this often lively debate. We heard good speeches from my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) and my hon. Friends the Members for Stone (Mr. Cash), for Aldridge-Brownhills (Mr. Shepherd), for Shrewsbury and Atcham (Daniel Kawczynski), for Harwich (Mr. Carswell) and for Hammersmith and Fulham (Mr. Hands). I shall, if I may, come to the Labour contributions a little later.

From the Opposition Benches, may I reiterate our condolences to the families of those who have been bereaved by the terrible tragedy in Algeria? I will go as far as to say that I suspect I speak for the whole House in expressing our sympathy.

Members of all parties will appreciate that we face a potentially serious situation in the Balkans. Several Members have touched on that. As the shadow Foreign Secretary, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), said only yesterday:

> "While Kosovo is entitled to have its status resolved, this must be done in a way that avoids damaging repercussions for Bosnia-Herzegovina, for Macedonia and the region."

The Ahtisaari plan represents a fair and sensible way forward. It is the result of careful and exhaustive discussions with all sides, and we must hope it can be brought peacefully to fruition in the months ahead.

Although we have touched on several themes this evening, the issue that has dominated the debate has been the revived EU constitution. That document has presented the Prime Minister with a considerable dilemma. He could have stood up for Britain's interests and vetoed the treaty, but instead he lacked the courage to do so and decided to go along with it. However, in order to avoid the crystal-clear manifesto commitment to hold a referendum on the constitution, he has forced his entire Government to go through the charade of pretending that the two documents are different, when everyone can plainly see that they are effectively the same. So let us nail this crucial point once and for all. Ministers are fond of quoting the sentence from the intergovernmental conference mandate which states:

> "The constitutional concept…is abandoned".

However, they very rarely read out the exact following sentence, which might be characterised in the current context as the missing sentence, and which states:

> "As far as the content of the amendments to the existing Treaties is concerned, the innovations resulting from the 2004 IGC will be integrated into the TEU"—

the treaty on the European Union—

> "and the Treaty on the Functioning of the Union, as specified in this mandate."

In other words, the constitution is effectively revived wholesale with just a few minor exceptions, which the mandate subsequently points out.

Other EU leaders have accepted that point almost without argument. Irish Prime Minister Bertie Ahern said that the two documents are 90 per cent. the same. The Spanish Foreign Minister said that they are 98 per cent. the same. The Spanish Prime Minister, perhaps seeking to outdo his Foreign Secretary—I am pleased that our Foreign Secretary has just now returned to the Chamber, as being outdone by the Prime Minister is something he is not entirely unfamiliar with—said that they are 99 per cent. the same. Valery Giscard D'Estaing, who chaired the convention on the original constitution and about whom the Foreign Secretary was rather dismissive, says:

> "lift the lid and look in the toolbox and all the same innovative tools are there."

In fact, Giscard has been berating EU leaders for their lack of courage in explaining to their people what is really going on. He summed up his frustration in *Le Monde* back in June in the following words:

> "the public are being led, without knowing it, to adopt the proposals we dare not put to them directly."

That is an extremely succinct exposition of this Government's position with regard to the people of Britain.

Not only has the Government's line been exposed as patently false by EU leaders abroad; the Prime Minister's argument has been betrayed by allies back home. Digby Jones—or Lord Jones of Birmingham, as we must learn to call him—let the cat out of the bag when he said:

> "This is a con to call this a Treaty. It's not, it's exactly the same, it is a constitution."

Shortly after that, the Government promoted him, but it is difficult to blame Lord Jones when even the Prime Minister cannot keep to the script himself. After an Anglo-Irish summit with Bertie Ahern in July, when asked at a press conference what had been discussed that morning the Prime Minister replied that they had been discussing the EU constitution and how they could take it forward over the next few months.

Then, after months of detailed examination of the two texts, the Labour-led European Scrutiny Committee, whose Chairman made a good and detailed speech this evening, and which must be commended for its vigilance in these matters, concluded that the two documents were "substantially equivalent" and that to argue otherwise would be "misleading".

The Economist, which is not exactly known for its Euroscepticism, concluded that trying to sustain the Government's position was "a farce". Is it any wonder, then, that a poll in yesterday's *Daily Mail* reported—*[Interruption.]* This was a Global Vision poll in the *Daily Mail*—*[Interruption.]* Labour Members may laugh, but what matters is not where it was published, but what the poll said—and the poll reported that almost three quarters of the British people want a referendum and that only 9 per cent. of the public believe that the two documents are different. Before any other Labour Members mock, they should remember the tremendous amount of time that the Prime Minister has spent sidling up to the editor of the *Daily Mail*. I have some good news for the Government, however. Although only 9 per cent. of the people believe that the two documents are different, that is actually up from a previous poll of a month ago when only 6 per cent. of the people believed that. Perhaps by the end of the process, if the Government work really hard, they might be able to sneak into double figures.

Daniel Kawczynski: I am not sure whether my hon. Friend intends to come to this point later in his speech, but does he agree with me how baffling it has been to listen to the Liberal Democrats in this debate, in the sense that they want a referendum on whether we should be members of the EU, but they are not prepared to say whether they want a referendum on this constitution?

Mr. Francois: I have some sympathy with my hon. Friend, as it is often baffling to listen to Liberal Democrats as a point of principle. However, I have to say that their spokesman, who I admit was filling in this evening, was extremely unclear about what the Liberal Democrat position would be in the event of a referendum amendment to next year's Bill. That was not missed on these Benches.

Mr. Davidson: Will the hon. Gentleman give way?

Mr. Francois: I will, but if the hon. Gentleman is going to ask me what the Liberal Democrat position is, he is wasting his time.

Mr. Davidson: I just wanted to say that I hope that Conservative Back Benchers will not seek in any way to take advantage of the innocence and naivety of the Liberal Democrats in not having a position on this matter. It would be absolutely outrageous if the Tories campaigned in Liberal Democrat constituencies, calling on voters to ask the Liberal Democrats what their opinions were.

Mr. Francois: I thank the hon. Gentleman for that intervention. I believe that he intervened at least five times, if I counted correctly, on the Liberal Democrat spokesman; he persisted, in the words of Peter Mandelson, in "punching the bruise". We will most certainly hold every Liberal Democrat MP to account in their constituencies for how they vote, as indeed we will hold every Labour MP to account in their constituencies for how they vote.

I believe that the Government have comprehensively lost the argument on the point that the two documents are different, but still they peddle the same sorry line to the public, the press and to their own Back Benchers, because they know that the Prime Minister's intransigence leaves them with absolutely no choice.

Under pressure, the Government fall back on their much vaunted red lines, which are largely red herrings designed principally to distract attention from what is really being given up without a referendum. However, the European Scrutiny Committee in two very detailed reports picked apart the Government's red lines. The Labour Chairman of the Committee, the hon. Member for Linlithgow and East Falkirk (Michael Connarty) told the BBC "Today" programme that the red lines would, in his words, "leak like a sieve".

In fact, the Government have been in constant retreat on what is really at stake with this document. On 18 June, the former Foreign Secretary, the right hon. Member for Derby, South (Margaret Beckett), stated that the reform treaty would just

> "tidy up the rule book of the European Union".

A week later, she admitted that

> "There are some power transfers".

By July, the new Minister for Europe was arguing that we should not

> "sign up to any treaty that transferred in any significant way, any UK sovereignty".

By October, his mantra had become

> "the reform treaty will not transfer power away from the UK on issues of fundamental importance to our sovereignty."

That is a massive change in public position: from a tidying-up exercise to a rearguard action to protect fundamental sovereignty, in only four months.

But there have been further retreats. The red line concerning the charter of fundamental rights is just one example. After the June summit, the former Prime Minister assured us that we had an opt-out from the charter. The following day he was contradicted by the Swedish Prime Minister, who insisted that the United Kingdom did not have an opt-out, only a clarification. On 31 July, after a month of considerable confusion in the Government ranks, the Minister for Europe conceded in a letter to the European Scrutiny Committee that

> "The UK specific protocol which the UK secured is not an 'opt out' from the Charter. Rather, the protocol clarifies the effect that the Charter will have in the UK."

[Mr. Francois]

We have a clear pattern of confident assertion followed by internal confusion in the face of detailed examination followed by retreat, and we suspect that that pattern will be continued when we debate the ratification Bill in detail next year.

I expect the Minister for Europe to get to his feet in a few moments and tell us that the constitutional concept has been abandoned, and that there is therefore nothing to worry about. Perhaps he will also tell us that there is excellent data security at HM Revenue and Customs, that there is plenty of room in our prisons, and that the former Prime Minister and the current Prime Minister have always been best mates. All that would be about as honest as the Government's position on the reform treaty.

The Labour party's manifesto at the 2005 general election was very clear about the EU constitution. It said:

> "We will put it to the British people in a referendum and campaign whole-heartedly for a 'Yes' vote".

Given that clear pledge, the Government's position is now dishonourable at best. Ministers are being not so much economical with the truth as positively parsimonious with it.

The Government continue to tell us that the two documents are different when they know full well—the Foreign Secretary knows, the Minister for Europe knows, other Ministers know—that they are effectively the same. Even the Prime Minister has admitted as much, in a memorable Freudian slip—and that from a Prime Minister who stated that one of his key objectives was to restore "trust" in politics, which, as he told the BBC specifically, included honouring Labour's 2005 election manifesto. That same Prime Minister is now doing precisely the opposite, and treating the British people like fools along the way. The Prime Minister once famously told his predecessor "There is nothing you could say to me now that I could possibly believe." The risk that he faces is that if he continues on this course, much the same will eventually be said of him.

I remind Ministers that three quarters of the British people want a referendum. Most of the national press want a referendum. The trade unions want a referendum: indeed, they voted for it by a margin of nine to one at the TUC conference. Many Labour MPs privately concede that there should be a referendum, and some of them have had the moral courage to voice their concerns in the Chamber today. Included on that roll of honour are the hon. Members for Birmingham, Edgbaston (Ms Stuart), for Vauxhall (Kate Hoey), for Great Grimsby (Mr. Mitchell), for Stroud (Mr. Drew), for Glasgow, South-West (Mr. Davidson), for Luton, North (Kelvin Hopkins) and for Hemsworth (Jon Trickett). There are others in the Labour party who have not yet spoken out, but we believe that they are there, and their contribution could eventually be decisive.

The Government are clearly losing the argument on the EU constitution. The emperor has no clothes. All the parties promised the people who sent us to this House a referendum on the EU constitution. We say, let the promise be kept and let the people decide.

9.44 pm

The Minister for Europe (Mr. Jim Murphy): I am delighted to have the opportunity to respond to this evening's debate. Before I do so, I wish to update the House on the matter that has concerned us all this evening—the terrorist attacks in Algeria. It is important to inform the House that al-Qaeda North Africa is claiming responsibility, according to a number of press agencies. The Foreign and Commonwealth Office website has been updated to take account of today's tragic, grotesque and brutal murders. I encourage all those who are considering travelling to Algeria, for whatever purpose, to take account of the information on that website. The whole House will rightly appreciate that the Foreign Secretary has written to the Secretary-General of the United Nations regarding this dreadful loss of life, which potentially includes some UN staff.

A huge number of contributions were made to this evening's debate. In addition to those from the Front Benches, we heard a contribution from my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), who is no longer in his place—uncharacteristically, because he takes his role as Chairman of the European Scrutiny Committee very seriously. We also heard a contribution from my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart), who has taken a great deal of care and interest in these issues for longer than she and I would care to remember.

I felt like a priest on occasions this evening as I listened to the confessions of my hon. Friends the Members for Vauxhall (Kate Hoey) and for Great Grimsby (Mr. Mitchell) about their careers being thwarted as a consequence of their experience of, and attitudes to, Europe. My hon. Friend the Member for Vauxhall talked about being threatened with losing her job as a shadow Minister for the citizens charter—

Kate Hoey: No, I lost it.

Mr. Murphy: My hon. Friend was not just threatened; she actually lost her job. I think that my hon. Friend the Member for Great Grimsby joked, in a humorous speech, about potentially or actually losing his job as a shadow Minister for the cones hotline. Europe is blamed for many travesties, but those are two new heinous crimes. Never have so many cones died for a false purpose and never have so many charter mark ambitions been unfulfilled, as we have heard this evening.

My hon. Friend the Member for Great Grimsby spoke about his desire to travel during the detailed discussion on the Lisbon treaty Bill. If he is unsuccessful in that, may I recommend some travel brochures for him to consider?

Kelvin Hopkins: Was my hon. Friend hinting that if one shows enthusiasm for the European Union, one might be promoted to the Front Bench?

Mr. Murphy: All I say to my hon. Friend is that over the next few weeks and months one will not be allowed to travel anywhere.

I think that those on both sides of the House would accept that the contribution by my hon. Friend the Member for Rhondda (Chris Bryant) was the most humorous, and possibly one of the most thoughtful, particularly on the issue of Russia. A number of interventions were made by my hon. Friend the Member for Glasgow, South-West (Mr. Davidson)—my very good friend—despite his current physical condition. On behalf of everyone in the Government, may I say that I hope that it is nothing trivial? He informs me that he fell, but an investigation is taking place into whether he was pushed.

Mr. Andrew Robathan (Blaby) (Con): Ask the Whips.

Mr. Murphy: I was my hon. Friend's Whip in the past, so I know what happened.

A number of thoughtful contributions were made by Opposition Back Benchers, and not only on the Lisbon treaty. The hon. Member for Aldridge-Brownhills (Mr. Shepherd) was passionate, but he was, on occasion, unnecessarily and gratuitously personally offensive. That is a choice for him, because he must design his own debating style.

The right hon. Member for Wells (Mr. Heathcoat-Amory) was fair in his point about the need to find additional ways to scrutinise European legislation. As I have said before, I had the fantastic opportunity to serve on European Standing Committees A, B and C for 18 months, and there has to be a more effective way to scrutinise. It is not for the Government to design the process, but based on my experience of scrutinising European legislation, I think that there must be a better way.

We also heard from the hon. Members for Shrewsbury and Atcham (Daniel Kawczynski), for Harwich (Mr. Carswell) and for Hammersmith and Fulham (Mr. Hands), who spoke about a European neighbourhood policy. The hon. Member for Shrewsbury and Atcham spoke about his views on Zimbabwe, which are held dearly, although occupants of all three Front Benches disagree strongly with his view on engagement with that country.

My hon. Friend the Member for Rhondda spoke with great clarity about the dynamic in Russian politics today, the fact that the democratic space there has shrunk and the opportunities for civic society and the freedom of the media have been curtailed in a way that many of us would have thought unimaginable a few years ago. We all celebrated the remarkable changes in Russia with the collapse of communism, but the trends that my hon. Friend mentioned are worrying, especially when one considers how important Russia is on issues of energy, international terrorism and non-proliferation. It is significant that we should do as much as we can in our relationship with Russia through the European Union, because 27 voices—albeit with different accents and at times in different languages—can be much more effective than one lone voice.

Mr. Francois: The Minister will know that the Opposition have given the Government strong support in the Litvinenko case. Can he reassure the House that the Government will continue to press the Russians on that important matter?

Mr. Murphy: I put on record the thanks of the Government for that strong cross-party support. It is an important aspect of our debates that, while retaining ferocious disagreement about several issues, we are at one on the strategic issues of national interest in respect of Russia. We will of course continue to press on the matter that the hon. Gentleman raises.

Kosovo was mentioned by several right hon. and hon. Members. In the past, the international community has had good intentions on Kosovo, but that will not be enough in the next few weeks and months. When we reflect on what happened in the 1990s, we must say, "Never again." In the autumn of 1993, the European Council was debating how to send aid to Bosnia, and how to distribute it for the brutal Balkan winter. By the time Europe had agreed to a package of measures, the snow had melted in Sarajevo and spring had arrived. That should never be repeated in international diplomacy.

Several other important issues are debated at European Councils and we need to work on them multilaterally and bilaterally with our European colleagues. Not least of those are the millennium development goals, climate change and our relationship with Iran, which the Foreign Secretary mentioned. However, I shall spend the limited time available to me on some of the comments on the Lisbon treaty.

As has often been the case in discussions on the issue, opposition to the treaty was fired by an anger about proposals that do not even appear in it. Perhaps that is just the nature of debate on European matters. I simply do not believe that the changes being proposed on foreign policy or the proposals for a high representative are the threat that is claimed. Those who oppose the changes paint

"a picture of this foreign policy monster, this fearful creature somehow stripping away all our power in foreign policy",

but I regard the changes

"as amplifying our potential influence."—[*Official Report, House of Lords,* 5 December 2007; Vol. 696, c. 1752.]

Those are not my words, but those of the right hon. Lord Howe, the former Conservative Foreign Secretary, speaking in another place just this week. He appreciates that the proposed changes help the United Kingdom.

Opposition Members suggested that our seat at the United Nations was in some way under threat as a consequence of the proposals in the reform treaty. It is ludicrous, and politically and intellectually incoherent, to draw that conclusion, even from the least charitable reading of the reform treaty.

Mr. Davidson: While my hon. Friend is on the subject of political and intellectual incoherence, may I ask him about the Liberals and their position? While I believe that the Minister is wrong, at least I recognise that he has an opinion. There are three Liberals present; how many opinions does he think that they have among them on whether there should be a referendum on the constitution?

Mr. Murphy: In the time available to me, that is not an issue in which I can get involved in great detail. The Liberal Democrats will continue to speak for themselves on the subject. Earlier, I had the opportunity to listen to the speech of their Front Bencher, the hon. Member for Cheadle (Mark Hunter).

[Mr. Jim Murphy]

On the high representative, the point that I wish to make is that the modest changes to current procedures are a sensible improvement. A Conservative Back Bencher—I think that it was one of the Better Off Out gang—suggested that we would no longer be able to speak at the United Nations; our seat would be under threat. That ignores all recent history. As the Foreign Secretary said, during the German presidency of the EU, we spoke on eight separate occasions on which the EU representative also spoke. We also spoke at the UN during the Portuguese presidency. Javier Solana spoke at the UN on five separate occasions since 2002, and the UK spoke on each and every one of those occasions. It is important that there be a European Union effort, and that we exert our energy and influence on the international stage. Being able to speak at the United Nations is an important part of that, whether it be on Kosovo, Zimbabwe, Burma, the millennium development goals or other matters. The Conservative Opposition often seem to will the end—a more vocal, effective European policy on foreign issues—but strongly oppose the means.

On the points raised about the abandonment of the previous constitution, the hon. Member for Rayleigh (Mr. Francois) rightly predicted that I would again announce this evening that the constitutional approach has been abandoned—indeed, he might have written this part of my speech. All 27 member states have agreed that the constitutional approach has been abandoned, as have many others. The ODS party, in government in the Czech Republic—the lone voice that the Conservative party claim as an ally in the European Union—has said that there is no constitution anymore. That is the Conservatives' one voice of friendship in the European Union. The French Secretary of State has said so. The Conservative President of the European Parliament, Hans-Gert Pöttering, has said so. The Danish Prime Minister, José Manuel Barroso, Lord Brittan, the Dutch Prime Minister, the Dutch Council of State, eminent professors of European law, the Italian Interior Minister, the Portuguese Prime Minister, the chairman of BP and many others have added their voice to the clear statement by all 27 Governments that the constitutional approach has been abandoned.

On the specific deal that the UK has, all countries have moved away from the previous constitution, but the UK has moved further away than any other member state. Again, that view is supported by José Manuel Barroso, who has said:

> "It is clearly different, the arrangement for Britain, than the arrangement for all the other countries."

Giscard d'Estaing said:

> "As to the balance sheet of the changes, it mainly favours Great Britain, which will enjoy a special status".

The President of the European Parliament has said—

Mr. Cash: *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly:—

The House divided: Ayes 276, Noes 17.

Division No. 26] **[9.59 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Farrelly, Paul
Farron, Tim
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric

Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Watson, Mr. Tom
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, Mrs. Betty
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Wood, Mike
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Wayne David and
Mr. Dave Watts

NOES

Binley, Mr. Brian
Brady, Mr. Graham
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Davies, Mr. Dai
Davies, Philip
Evans, Mr. Nigel
Farron, Tim
Hollobone, Mr. Philip
Leigh, Mr. Edward
Lilley, rh Mr. Peter
Russell, Bob
Shepherd, Mr. Richard
Spink, Bob
Winterton, Ann
Winterton, Sir Nicholas

Tellers for the Noes:
Mr. David Wilshire and
Mr. Peter Bone

Question accordingly agreed to.

Resolved,

That this House has considered the matter of European Affairs.

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Ordered,

That this House takes note with approval of the Government's assessment as set out in the Pre-Budget Report 2007 for the purposes of section 5 of the European Communities (Amendment) Act 1993.—*[Liz Blackman.]*

DELEGATED LEGISLATION

HOME INFORMATION PACKS

Ordered,

That the Home Information Pack (Amendment) Regulations 2007 (S.I., 2007, No. 3301), dated 22nd November 2007, be referred to a Delegated Legislation Committee.—*[Liz Blackman.]*

Madam Deputy Speaker (Sylvia Heal): I will put together motions 4 to 6.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees).

EUROPEAN COMMUNITIES

That the draft European Communities (Definition of Treaties) (Agreement on Enlargement of the European Economic Area) Order 2007, which was laid before this House on 15th November, be approved.

IMMIGRATION

That the draft Immigration and Nationality (Fees) (Amendment) Order 2007, which was laid before this House on 21st November, be approved.

EMPLOYMENT AGENCIES, ETC.

That the draft Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2007, which were laid before this House on 28th November, be approved.—*[Liz Blackman.]*

Question agreed to.

PETITIONS

Post Office Closures (Wirral)

10.13 pm

Ben Chapman (Wirral, South) (Lab): I present a petition on behalf of more than 4,000 residents of Lower Heswall who signed it to mark their concern about the possible closure of their local post office. This is a well-used, important facility and an important element of a vibrant village community. The signatories hope that it will be allowed to continue to play its vital community role. The petition is from Mr. Brian Kewley, postmaster, and the customers of Lower Heswall post office.

The petition declares

that the proposal to close the Post Office will have a disproportionate impact on the community it serves due to the large proportion of elderly people who rely on the service, the nearest alternative…being up a steep hill which presents problems for many of the customers, and the extent to which other traders in the Village rely on people coming to the Post Office.

The Petitioners therefore request that the House of Commons urge the Secretary of State for Business, Enterprise and Regulatory Reform to review urgently, with the Post Office, the policy of branch closures with a view to maintaining a Post Office service in the Village of Lower Heswall.

And the Petitioners remain, etc.

Following is the full text of the petition:

[The Petition of Mr Brian Kewley, Postmaster and the customers of Lower Heswall Post Office, Wirral,

Declares that the proposal to close the Post Office will have a disproportionate impact on the community it serves due to the large proportion of elderly people who rely on the service, the nearest alternative Post Office which has little parking availability and is served by an infrequent bus service, being up a steep hill which presents problems for many of the customers, and the extent to which other traders in the Village rely on people coming to the Post Office.

The Petitioners therefore request that the House of Commons urge the Secretary of State for Business, Enterprise and Regulatory Reform to review urgently, with the Post Office, the policy of branch closures with a view to maintaining a Post Office service in the Village of Lower Heswall.

And the Petitioners remain, etc.]

[P000059]

Family Courts (Reform)

10.14 pm

Mr. Dai Davies (Blaenau Gwent) (Ind): The petition states:

The Petition of Sally Ann Cooke,

Declares that Sally Ann Cooke has been imprisoned wrongly in the UK as a result of advice from the Children and Family Court Advisory and Support Service (CAFCASS). That CAFCASS prevented her obtaining access to Justice. That CAFCASS obtained a Court Order which allowed her only 3 hours contact each year. In 2006, she obtained only 2 hours contact with her daughter. CAFCASS advised that she was in need of "psychological therapy". This "medically unfit" allegation has now been disproven by specialist medical examination.

CAFCASS prevented her moving her daughters' medical records at the threat of having her daughter put into care.

CAFCASS did commence care proceedings, which weren't supported by Social Services. CAFCASS requested that her place at School be kept open, which the Education Authority refused, as she'd moved out of the area.

The Petitioner wishes to have the case reviewed in open court to enable her to prove that she is a fit and able mother and have reasonable contact with her daughter.

The Petitioner therefore requests that the House of Commons urges the Government to legislate to create greater transparency in the Family Courts to prevent such miscarriages of justice in the future.

And the Petitioners remain, etc.

[P000072]

Post Office Closures (Northamptonshire)

10.16 pm

Mr. Peter Bone (Wellingborough) (Con): I stood in the rain for more than an hour with 200 protesters in support of Little Harrowden post office, and it gives me great pleasure to present this petition. The petition states:

The Humble Petition of the residents of Little Harrowden, Great Harrowden, Orlingbury, Pytchley and surrounding areas,

Sheweth

That we oppose the closure of our Post Office in Little Harrowden. Such a closure would cause an immense amount of hardship, especially for elderly, disabled and other vulnerable groups. It would lead to the closure of the only shop in the village and would require the numerous customers of Little Harrowden Post Office to travel more than two miles along a major road with no footpath to the nearest alternative Post Office.

Wherefore your Petitioners pray that your Honourable House urges the Secretary of State for Business, Enterprise and Regulatory Reform to halt the closure of Little Harrowden Post Office.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000079]

Post Office Closures (Brighton)

10.17 pm

David Lepper (Brighton, Pavilion) (Lab/Co-op): I present the third petition in one week against the proposed closure of another post office in my constituency. The petition is in the name of Mr. Keith Day and is signed by 1,556 residents and people working in businesses in the area. The petition states:

The Petition of those affected by the closure of the Elm Grove Post Office in Brighton,

Declares that they believe that the Post Office provides an invaluable and local service to local residents, many of them older people and young families who need the many essential services provided by the Post Office close at hand. If the Government truly believes in building sustainable communities, it will withdraw this and other Post Office closure proposals.

The Petitioners therefore request that the House of Commons urges the Department for Business, Enterprise and Regulatory Reform to make representations to the Post Office Ltd. to withdraw its closure proposals for the Post Office at Elm Grove, Brighton, which plays such an important part in the life of the local community.

And the Petitioners remain, etc.

[P000078]

School Funding (Shropshire)

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

10.18 pm

Mr. Owen Paterson (North Shropshire) (Con): Madam Deputy Speaker, I should like to begin by thanking Mr. Speaker and you for granting me this debate. Since I was first elected in 1997, I have attempted to bring to the Government's attention the problems and costs of delivering public services in a thinly populated rural county. Shropshire is one of the largest inland counties, but with 289,000 inhabitants it is one of the least populated areas of the United Kingdom. It has some of Britain's most stunning scenery, but the long distances between its small towns and villages make the delivery of public services costly and difficult.

Despite the geographical challenges, Shropshire county council is to be congratulated on being one of the best performing counties in England; it is judged to be a four-star council. It is one of only two children's services authorities to have consistently received top grades against all headings under Ofsted's annual performance assessment process.

Shropshire has 141 primary schools, 22 secondary schools and two special schools. In 2007, Shropshire performed ahead of the national average on all 11 indicators for seven-year-olds. The pattern of results in Shropshire has largely mirrored or exceeded national changes. This year, we again secured top grades against the five every child matters outcomes. Shropshire's performance has remained ahead of the national average for 11-year-olds in English, mathematics and science. Its performance has also remained ahead of the national average on eight of the nine available indicators for 14-year-olds and has moved further ahead in the key level 5-plus indicator in English and mathematics. For 16-year-olds, the indications are that the results for GCSE or equivalent are likely to be the best ever recorded in the county. All results of the seven available indicators have improved over the 2006 county figures, and they have moved further ahead of the equivalent national figures in six of the seven indicators. Shropshire is ranked either first or second on all the main indicators. Attendance in Shropshire continues to be over the national average, and Shropshire's permanent exclusion rates remain low in comparison with other authorities in the west midlands.

That splendid track record is all the more remarkable when one considers that Shropshire is the second lowest funded of all 34 England upper-tier authorities. Shropshire's guaranteed unit of funding per pupil for 2007-08 is £3,551. Based on 39,218 pupils as at January 2007, that delivers £139.3 million in dedicated schools grant to Shropshire. All-England average funding is £3,888 per pupil, leaving Shropshire with £337 less per pupil. If Shropshire received the funding of an average local authority, there would be £13.23 million more to spend on Shropshire's children.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I congratulate my hon. Friend on securing this important debate. Coleham primary school in Shrewsbury receives, on average, £711 less per pupil than the national average. That equates to a deficit of £300,000 for just one school. The headmistress has asked to meet the Minister to discuss how on earth she will cope with that massive deficit.

Mr. Paterson: I am most grateful to my hon. Friend and neighbour for that support, but I am afraid to have to tell him that the position is going to get worse, because in 2010-11 the gap increases to £385, leaving Shropshire's children £15.1 million behind.

Let me address this particularly to the Minister: I am not calling for a single penny more in taxation to be levied for education. Shropshire's hard-working taxpayers are already taxed quite enough. My criticism is of the formula that distributes so much less taxpayers' money back to Shropshire per pupil from Whitehall. The City of London receives £7,089 per pupil and Tower Hamlets receives £6,028, as against Shropshire's £3,551. Perhaps a direct comparison would be with Ealing, which, with an almost identical number of pupils—39,250—receives £4,634 per pupil but in a much less sparse area. If Shropshire's children received Ealing's funding per pupil, they would have an incredible £42,486,428 extra. I repeat that I do not want a penny extra to be raised in tax, but I would like the Minister to explain how these extraordinary disparities come about. Does he believe that it is fair that a child in the City of London should receive back from general taxation twice what a child in Shropshire receives?

Mr. Philip Dunne (Ludlow) (Con): Following on from my hon. Friend's excellent point, the comprehensive spending review has just locked in funding per pupil for the next three years. In Shropshire and other rural authorities in the neighbouring area, we are now locked into well below average settlements because the Government have decided to abandon the previous formula, which was at least transparent and based on deprivation indices and others. That has been swept aside, and for the period of the CSR they are looking solely at increases based on percentages. That means that authorities at the bottom of the league table, such as Shropshire, which is sixth from bottom—*[Interruption]*—and, as my hon. Friend the Member for Gainsborough (Mr. Leigh) says, Lincolnshire, will now be locked into that disparity, which will widen over the next few years.

Mr. Paterson: My hon. Friend makes a very good point, and I am most grateful to him for coming with me to see the county council. I think that we have been there three times in the past three weeks. But again, the position is worse than he said.

Shropshire's excellent education system is facing a major crisis that is wholly avoidable. Shropshire county council is predicting significant demographic change. There is a rising population with a relatively higher concentration of older people, and there is currently a decrease in the number of children under five, and in primary education. According to the county council's figures, there will be 3,400 fewer pupils on the roll from 2001 to 2012. There are currently 2,500 unfilled primary school places, which will rise to 5,450 by 2012. That is predicted to lead to a cumulative shortfall of £3.8 million by 2010-11.

The council is proposing to debate a paper on reorganising primary schools in Shropshire on Friday 14 December. My hon. Friend the Member for Ludlow

[Mr. Paterson]

(Mr. Dunne) and I have discussed that, and my hon. Friend the Member for The Wrekin (Mark Pritchard) saw the council only last Thursday. I have great sympathy for the position of the council, which faces the dilemma of receiving less from central taxation than the vast majority of other authorities, while trying to deliver high-quality education in the face of current falling rolls.

However, the fall in primary school numbers is hard to understand in the light of the extensive new building that has occurred in Shropshire recently, and the dramatic increases planned for future years. It is also worth noting that live births in Shropshire bottomed out in 2001, at 2,628, rising to 2,767 in 2005. Another factor that should be borne in mind is that women are choosing to have children later, so nationally, fertility rates for women aged 30 to 34 rose from 78.2 births per 1,000 women in 1986 to 104.6 per 1,000 in 2006. Current research suggests that the trend towards later maternity is strongest among women with better educational qualifications, with some postponing child rearing to pursue their careers. That could well be the case in Shropshire, where there has been an unprecedented increase in mid-range housing with an average age of occupants that conforms more with higher birth trends, which may, therefore, fuel an unexpected surge in the school-age population.

Another factor that is almost impossible for the council to estimate is the increase in population owing due to the Government's abject loss of control of immigration. The most graphic example of that was the Government's prediction, when Poland acceded to the EU, of 13,000 Polish immigrants working in this country, whereas the actual figure was well over 600,000. Ironically, 13,000 babies have been born to Polish women in this country since EU accession. Population estimates assume inward migration contributing nearly 6 million to the projected rise of 7.2 million in the UK's population between 2004 and 2031—equivalent to six cities the size of Birmingham over the 27-year period.

Poles have always been welcome in my constituency thanks to a significant Polish community in Penley, just over the Welsh border, who stayed on after the second world war because, tragically, it was too dangerous for them to return to socialist Poland. Vans with names dominated by consonants are common in the area. Following Poland's accession to the EU, a significant population of Polish people has built up in nearby Wrexham and Crewe. Road signs near Whitchurch written in Polish attracted national attention earlier this year.

Advantage West Midlands commissioned the university of Warwick to write a paper on the economic impact of migrant workers in the west midlands, which reported in November 2007. It said:

> "The West Midlands Migrant Worker Survey revealed that for a substantial proportion of migrant workers initial plans about length of stay in the UK had changed. On balance, the tendency was for migrant workers in the sample to decide to stay longer than first anticipated...The presence of children will also increase the demand for school places."

I hope that that shows that it really is impossible for the county council to plan ahead with complete accuracy given the totally inadequate quality of Government data in this area.

I hope, however, that the Minister recognises that the current system of education works well. That situation is very much due to the number of small schools that provide local education and parental choice. Having visited every school in my constituency in recent years, I can confirm that competition among schools guarantees higher standards as schools strive to satisfy parents, knowing that those parents often have an alternative so long as they possess a car.

Last Thursday, I visited Childs Ercall Church of England primary school, whose future is up for review because it fails existing criteria on pupil numbers established by the last Lib Dem-Labour council. First, the governors and the chairman of the parish council disputed the predicted numbers and were confident that given new housing they would achieve the current minimum numbers required, but they stressed that the village of 237 houses has only a village hall, a church, a working men's club and no other public facilities. David James, the chairman of the parish council, has said:

> "Facilities are being bled out of the countryside and that is a thoroughly bad development."

Mark Pritchard (The Wrekin) (Con): My hon. Friend is making a compelling case. He is absolutely right to underline the fact that migration within the European Union and immigration from outside the EU is having an impact on Shropshire. In fact, 36 per cent. of the housing growth in Shropshire over the next 10 years will be as a result of those factors. I do not believe that my area will be affected by any reorganisation of schools, for which I am grateful, but Shropshire has been short-changed for too long. I endorse and fully support my hon. Friend in saying that this must end.

Mr. Paterson: I am most grateful for my hon. Friend's support. I know that we can count on him in future discussions.

The school buildings at Childs Ercall are currently used for out-of-hours activities, including a breakfast club, a computer club and other community enterprises. That is entirely in line with stated Government policy. The building schools for the future programme website states:

> "Schools are no longer just about what goes on in the classroom during school hours. The modern vision of extended schools sees schools as assets at the heart of the community, which everyone can use and benefit from...Building Schools for the Future...provides an opportunity to be innovative in the ways schools work and to explore new ways in which they can involve the local community, adults, families and local business partners".

Ironically for Childs Ercall, the website even lists breakfast and after-school clubs as aims of the initiative. However, the building schools for the future programme, which was talked up by the Secretary of State for Children, Schools and Families in his statement this afternoon, is not due to arrive in Shropshire until 2013. Could the Minister consider bringing Shropshire's schedule forward within the existing budget?

The Secretary of State said today that his consultation had revealed that "children and young people told us that they wanted more places to play" and "interesting things to do outside school", and that the Minister for Children, Young People and Families had set out a strategy promising "places for young people to go to in every constituency of the country…funded by proceeds from unclaimed assets and new investment from my Department." Do Shropshire's school facilities qualify?

Mr. Dunne: I am most grateful to my hon. Friend for allowing me to intervene again. What he is saying is important. The Secretary of State made much of consulting parents this afternoon—*[Interruption.]* I am pleased to see him entering the Chamber. He made much of consulting parents on being given more information about their child's progress. What the parents of the children in 20 primary schools in Shropshire threatened with closure care about is ensuring that they have a school in their local village for their children to attend, rather than having them bussed into a town or village miles away. It is schools that those parents want, not play areas.

Mr. Paterson: I am most grateful to my hon. Friend. Happily, the Secretary of State has just turned up, so perhaps the Minister can confer and give us a clear reply.

Successive Ministers have promised to defend rural schools. At the time of the countryside march in February 1998, when he was the Minister responsible for school standards, the right hon. Member for North Tyneside (Mr. Byers) said:

> "When a school closes a village loses a vital focus…setting a spiral of decline. This is what we want to stop."

In May 2000, the current Home Secretary, who was then the Minister responsible for schools, said:

> "Rural schools are often the lifeblood of local communities. I know there are difficult decisions that local authorities have to take but in the case of village schools, we were right to put the village before the planner."

The chairman of governors of Adderley Church of England primary school, alarmed at the proposed reorganisation of Shropshire primary schools, has also told me that the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Chatham and Aylesford (Jonathan Shaw), said on "The Westminster Hour" on 4 November that the Government have a policy to keep rural schools open.

I have also had approaches from Maesbury primary school and Selattyn Church of England primary school, which are indicative of the huge confusion and disruption that will be caused to Shropshire's primary schools if a reorganisation leads to the closure of a number of schools. The proposals will be deeply unpopular with parents and grandparents, as well as being most upsetting for staff and, above all, the children involved. Councillor Keith Barrow has put down a motion to Oswestry borough council, while Councillor Gerald Dakin has laid a similar motion before North Shropshire district council. This is all so unnecessary. We would not even be discussing the issue tonight if Shropshire received a fraction more of the central funds from the taxpayer that are awarded to other authorities.

Given the unreliability of current population data, particularly on immigration, now is no time to close schools that take decades to establish and build a reputation. They may even have to be reopened or, worse, new schools may have to be built, at great public expense, to cope with an influx of new pupils.

I repeat that I am not asking for a single penny more to be levied from the British taxpayer. I am simply asking for a proportion of taxpayers' funds to be returned to the county of Shropshire in order to make a bitter and costly closure programme unnecessary. The Government have established the primary capital programme for improving existing schools. Could this be brought forward? Finally, would the Minister agree to meet me, with other Shropshire colleagues and representatives from the council, to find a solution to our modest requests? Unless a solution is found, irrevocable damage could be done to Shropshire's exceptional system of primary education, with an inevitable further impact on the county's isolated rural communities.

10.35 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan): I congratulate the hon. Member for North Shropshire (Mr. Paterson) on securing this debate. I welcome this early opportunity to bring the issue of school funding to the House following the recent announcement of the revenue and capital settlements for the next three years. I would first like to congratulate the teachers and pupils in the hon. Member's constituency, and in the whole of Shropshire, on their continuing hard work and achievements. He referred to some of those achievements in his speech.

This year, 82 per cent. of Shropshire pupils aged 14 reached the required standard in English, and 79 per cent. did so in mathematics. That is 2 percentage points above the national average in each subject. Meanwhile, the number of 15-year-olds in Shropshire achieving five higher GCSE passes or the equivalent continues to be well above the national average. In all subjects, including English and maths, young people in Shropshire achieved 5 percentage points above the national average at GCSE last year.

Let me turn now to school funding. It is important to remember that all local authorities have seen substantial increases in funding under this Government, and that is the context in which we should consider this evening's debate. Total revenue funding per pupil for education in Shropshire went up by £1,120 in real terms between 1997 and 2005. That is an increase in real terms of 38 per cent. From 2006, we introduced the dedicated schools grant and a two-year school funding settlement. This gave Shropshire increases in core funding for schools of 6.6 per cent. per pupil last year, compared with their spending the year before, and a further 6.4 per cent. per pupil this year. What has the increased investment bought? Since 1999, Shropshire schools have been able to employ 160 more teachers and 820 more support staff.

Spending on school buildings has also increased dramatically. Ten years ago, the allocation for Shropshire was £5.1 million. For the years 2005-06 to 2007-08, we have allocated £37.4 million of capital to Shropshire council and its schools. This includes more than £7 million of targeted capital funding, following the council's successful bids for support for two major capital projects.

Mark Pritchard: Will the Minister give way?

Kevin Brennan: If the hon. Gentleman will forgive me, I will not give way, because this is a conversation between the hon. Member for North Shropshire and me, and we agreed that the hon. Member for The Wrekin (Mark Pritchard) would intervene in the first part of the debate.

[Kevin Brennan]

Looking ahead, we have just announced the first ever three-year school revenue funding settlement, enabling local authorities and schools to plan ahead with greater certainty. The settlement allows for continued real-terms growth in school funding over the next three years, although at a more modest rate than in recent years. Across the country, total school revenue funding will rise from £36.5 billion this year to £41.9 billion in 2010—an average year-on-year increase of 2 per cent. in real terms.

This settlement allows us to target money on our priorities. Those include making available by 2010 £912 million to support the extension of a personalised offer to all pupils, including those with special educational needs, and £315 million to help to improve the rate at which children progress, ensuring that all children can meet their potential, and that those who are behind expectations, or are falling behind, get back on track. We will also make available £340 million by 2010 to support the extension of the entitlement to free nursery education for three and four-year-olds from twelve and a half to 15 hours, and £490 million by 2010-11 to support the development of extended services in our schools.

In addition, Shropshire will get an increase in its dedicated school grant of 13 per cent. per pupil over the next three years. That is just below the national average of 13.1 per cent. per pupil. So, by 2010, Shropshire's guaranteed funding per pupil through the dedicated school grant will be £4,013, up £462 per pupil on this year.

I understand the concerns expressed by the hon. Member for North Shropshire about funding for schools in Shropshire, especially when compared with the funding that other areas receive. I am sure that other hon. Members—including my hon. Friend the Minister for Schools and Learners, who is in his place for this debate and who has a constituency in the rural county of Dorset—will recognise the challenges that we face.

First, though, I should like to explain the reasons behind the differences in funding in different areas of the country. We need to ensure that we have an appropriate balance between basic funding and funding that recognises the different needs of each area. As the hon. Member for North Shropshire noted, some parts of the country—especially London and the other conurbations, such as Birmingham, that have inner-city areas—receive additional funding. That is because it costs schools more to recruit and retain teachers and other members of staff in those areas.

Other areas, including Shropshire, receive additional funding because, as the hon. Member for North Shropshire mentioned, they are sparsely populated and have many small rural primary schools that are more expensive to run. However, the main reason for differences in the level of funding that we provide to different local authorities is the emphasis that we place on targeting funding on disadvantaged pupils. Such pupils are likely to need extra support if they are to have an equal chance to succeed.

There have been improvements in attainment at all levels of education in recent years. Schools in the most disadvantaged areas have improved most of all, but there is still a major gap between the outcomes for children from disadvantaged backgrounds and for other pupils. In 2007, 36 per cent. of young people receiving free school meals achieved five good GCSE passes, compared with 63 per cent. of their peers. Closing that gap is critical to our aim of promoting a fair, prosperous and inclusive society, so we believe that it is right and just to invest our resources where they will make the most difference.

Shropshire has significantly fewer pupils from disadvantaged backgrounds than many other areas, and that is reflected in the level of school funding that the authority receives. Next year, 7.3 per cent. of Shropshire's funding through the dedicated schools grant will be for disadvantaged pupils, compared with 12.1 per cent. nationally. For the first time, however, money for pockets of deprivation is being included in this funding. An extra £300,000 pounds is included for Shropshire next year, targeted on schools that have high numbers of pupils from deprived neighbourhoods compared with the rest of the county. I am sure that the hon. Member for North Shropshire will talk to his colleagues on the county council to make certain that that funding gets through to the pupils in those deprived areas.

The school funding arrangements for the next three years consolidate the current arrangements that followed the introduction of the dedicated schools grant two years ago, but we need to ensure that we have a funding system fit for the challenges and priorities of the next decade. The hon. Member for North Shropshire has raised some important questions about that.

In January, my Department will launch a major review of the distribution of the dedicated schools grant. We will want to hear from everyone who is interested in school funding, as we work with our partners to shape proposals for the school funding system from 2011. A full consultation will start in autumn 2009, and the funding of schools in rural areas will be one of the issues that we shall want to explore as part of the review.

Mr. Paterson: As the Under-Secretary wants to consult, will he agree to meet me and colleagues from the House and the county council to discuss the matter?

Kevin Brennan: I can confirm that my hon. Friend the Minister for Schools and Learners has already agreed to meet the hon. Gentleman and his colleagues. I have read the letter that the hon. Member for Ludlow (Mr. Dunne) sent to the Secretary of State, and as I said, my hon. Friend the schools Minister has agreed to meet him.

In the coming years, we want to work with local authorities and schools to ensure that we are getting the best possible outcomes for pupils from the revenue and capital resources that we put into schools. The hon. Member for North Shropshire has described the challenges facing the council in Shropshire and its schools as a result of rapidly falling pupil numbers. I stress again that my hon. Friend the Minister for Schools and Learners will be pleased to meet the hon. Gentleman and his colleagues.

Local authorities are responsible for balancing the supply of places in their area to ensure that schools serve the needs of their local communities and provide good quality education in the most cost-effective way. However, surplus places can represent poor use of resources, which can often be used more effectively to support schools in raising standards. With current surpluses in Shropshire as a whole, it must be right that the authority has considered a reduction in surplus places as part of its planning strategy.

I know that local schools are important in rural communities, and we accept that in order to let young children attend a school closer to home, there may have to be more empty places in schools in rural areas than in those in urban areas. Our guidance to decision makers makes it clear that that must be taken into account, and that the presumption against closing rural schools continues. However, even in a rural authority there may be a case for redeploying resources that are tied up in surplus places, to provide a richer educational experience for all young people in a more efficient system. Let me deal with our plans for capital funding. We are investing £21.9 billion in schools nationally over the next three years. That is a sevenfold increase since 1996. For 2008-10, we have allocated £57.3 million for capital investment to Shropshire and its schools to improve their buildings and facilities. That includes £3 million through the new primary capital programme in 2009 and a further £5.4 million in 2010. We aim to renew at least half of all primary school buildings in the country under the programme in the next 14 years.

The hon. Gentleman asked about the building schools for the future programme, which aims to renew all secondary schools in England in 15 waves of investment, which started in 2005-06. The hon. Gentleman may wish to discuss with his hon. Friends plans to dig into and cut from the plans for the future in the case of Shropshire. Because of the late prioritisation, Shropshire is getting money up front. It has been allocated £20.5 million now to renew its neediest school, the William Brooke school in Much Wenlock.

In the meantime, the authority and its schools continue to receive substantial amounts of capital each year to address their priority needs. Allocations of funding to the authority reflect the fact that it has not benefited from modernising schools through building schools for the future.

Our plans for revenue and capital investment in schools provide for continued growth over the next three years, building on the substantial increases of the last decade. I know that the hon. Gentleman shares my ambition for continually improving outcomes for all our pupils for the taxpayer's considerable investment. I am sure that he will want to raise some of the points with which I have had not time to deal in his meeting with my hon. Friend the Minister for Schools and Learners in the near future.

Question put and agreed to.

Adjourned accordingly at thirteen minutes to Eleven o'clock.

House of Commons

Wednesday 12 December 2007

The House met at half-past Eleven o'clock

PRAYERS

[Mr. Speaker *in the Chair*]

Oral Answers to Questions

DUCHY OF LANCASTER

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster was asked—

Third Sector

1. **Mrs. Madeleine Moon** (Bridgend) (Lab): What assessment he has made of the contribution of the third sector to the development of social policy; and if he will make a statement. [173050]

St. Theodore's church—

Mr. Speaker: Order. The Minister must answer the hon. Lady's main question before she puts a supplementary question to him.

The Minister for the Cabinet Office (Edward Miliband): Through its 160,000 charities, 55,000 social enterprises and 20 million volunteers, the third sector makes an enormous contribution to our society. The Parliamentary Secretary to the Cabinet Office, my hon. Friend the Member for Corby (Phil Hope)—who is responsible for the third sector—will announce today that the Community Development Foundation is to run a new £130 million grass-roots grants programme to improve funding for the smallest organisations that are the lifeblood of our local communities, and I hope that it will be welcomed throughout the House.

Mr. Speaker: Now. St Theodore's church?

Mrs. Moon: Thank you, Mr. Speaker. I spoke too soon because I am so excited about the fact that, in my constituency, the Mothers' Union has just celebrated its 85th birthday in St Theodore's church. It has completed 85 years of championing social change and progress, helping young people to develop alternatives to temptations in the world of drugs and alcohol, offering parenting skills, teaching numeracy and literacy and, now, providing parental support for prisoners in my local prison. Does my right hon. Friend agree that organisations such as the Mothers' Union are essential to social change and progress in this country?

Edward Miliband: My hon. Friend is absolutely right. We all need diversions from temptation, and it is very important that the Mothers' Union is providing them. My hon. Friend also makes a serious point about the diversity of the activities in which third-sector organisations engage, helping people in innumerable different ways. We want to find ways of encouraging that. Governments do not create the dynamism that comes from organisations such as the Mothers' Union, but they can help, and that is the point of the small-grants programme that we have announced today.

Ann Winterton (Congleton) (Con): I think that everyone will praise the contribution made by the voluntary sector in all parts of society in the United Kingdom, but there is an increasing problem in that the population is growing older, and younger and middle-aged people are not volunteering at all. How do the Government propose to surmount that difficulty?

Edward Miliband: I know that the hon. Lady takes a close interest in voluntary sector issues, and she is right to say that we need to do what we can to encourage young people to volunteer. That is the point of the arm's length organisation v, funded but not run by Government, which is creating new volunteering opportunities for young people all over the country. It has created 200,000 so far, and is on the way to creating a million.

As the hon. Lady says, we need to encourage that culture of volunteering among both young people and middle-aged people, among whom I count myself. She will be pleased to learn that v is doing that, and I hope that it will be doing some work in her constituency.

Julie Morgan (Cardiff, North) (Lab): Does my right hon. Friend agree that those in the voluntary sector have been pioneers in developing policy and helping the Government to do so? I think especially of the hospice movement. Is my right hon. Friend aware of the work of George Thomas hospice in my constituency, which of course is named after a former Speaker?

Edward Miliband: I too congratulate the hospice on its work in my hon. Friend's constituency. She has made an interesting point about the way in which the voluntary sector can add to the great work done by the public services—in this case, the national health service. There is always a need to ensure that it does not replace public spending, and the Government's approach is that it is not an excuse for them not to fund public services properly; but throughout the country, in many different ways, voluntary organisations add to the work that the public services do.

Greg Clark (Tunbridge Wells) (Con): The Minister is trying to hustle the Charity Commission into allowing the establishment of charities whose main activity is political campaigning. The Smith Institute, a registered charity, recently issued a publication that stated

> "Britain is a better country because of the choices that voters made in 1997, 2001 and 2005".

[Hon. Members: "Hear, hear."] Labour Members make my point for me. Does the Minister think that political statements of that kind enhance or undermine public confidence in charities?

Edward Miliband: I have never been a hustler, and I am not about to start now. The question of individual charities is for the Charity Commission and not for me.

Campaigning by voluntary sector organisations is a live issue between those on the Front Benches. Our position is clear: we believe that third-sector organisations should be able to campaign for changes in the law in support of their charitable objectives. They have told us that the guidance is unclear, which is why we are pleased that the Charity Commission is rewriting its guidance.

I find it sad that the hon. Gentleman is, in a way, engaged in a personal crusade to return to the position taken by the Conservative party in the 1980s—one of hostility to campaigning by the voluntary sector. We want never to return to those days, and I hope that the hon. Gentleman will see reason.

Mr. Jamie Reed (Copeland) (Lab): I would like to hustle the Minister straight away. He mentioned the £130 million grass-roots grant. How can charitable organisations in my constituency, such as cricket and rugby clubs and the hospice movement, apply for that? To ensure that there is dynamism, will the application process be free of significant bureaucracy?

Edward Miliband: My hon. Friend raises a big challenge for Government, and it is important that we meet it. Let me briefly say something about the way the scheme will operate. The money will be distributed by the Community Development Foundation, not centrally to local organisations in his constituency, but to local partner organisations who know the circumstances on the ground. We hope that by the middle of next year, when those partners have been chosen, organisations such as those in my hon. Friend's constituency will be able to apply for the money. I hesitate to say this, but we will make good on this promise: there should be as light a touch as possible in the application process, because that approach is incredibly important for the smallest organisations in the country.

Cross-departmental Co-ordination

2. **Mr. Peter Bone** (Wellingborough) (Con): How he measures the performance of his Department in co-ordinating the Government's programme across departments. [173051]

The Parliamentary Secretary, Cabinet Office (Gillian Merron): The Department's performance is measured in a number of ways, which include tracking progress against the Department's new public service agreements on adult exclusion and service transformation, the Department's strategic objectives and the programme of capability reviews across government.

Mr. Bone: With the Government's programme in disarray, the Treasury staggering from crisis to crisis, the Home Office not fit for purpose and the Ministry of Defence not doing its job, if this were a football club would not the manager be getting the sack?

Hon. Members: It is Sven.

Gillian Merron: I am delighted to receive such an appropriate question from such an appropriate Member, but I am afraid that I cannot agree with his description of the Government. I can assure him and the whole House that we have stretching targets. We are not satisfied with where we are, but what I recognise are the statistics and results for people, such as on child poverty—600,000 have been lifted out of poverty—and the fact that millions of people are benefiting from new tax credits and benefits to support children, and that children are doing better in education than they have done for many a year. I assure the House that through Ministers and Departments working together and through the work of Cabinet and Cabinet Committees and the delivery unit, we have a robust system to check constantly our progress on how we are delivering. For the first time, this Government have brought in a rigorous process of capabilities reviews to check and address Departments' capacities to deliver. I hope the hon. Gentleman will support such moves.

Mr. Francis Maude (Horsham) (Con): One of the Cabinet Office's key responsibilities across government is information security. In June, it received the Coleman review of Government information assurance, which stated in clear terms that

"adequate mechanisms are not yet in place".

Will the Minister tell us which Minister in the Cabinet Office read that report and what steps were taken in response to it?

Gillian Merron: That question was put to my right hon. Friend the Minister for the Cabinet Office and was answered yesterday, but let me reassure the House that trust in our systems is of course absolutely paramount. The report referred to was indeed a useful contribution to the national information assurance strategy, which was published on 27 June. I also assure the House that we constantly review our whole strategy. Technology moves on, and the Cabinet Secretary will conduct a review that will report shortly on data handling in Departments and agencies—and may I suggest that we could usefully turn to that?

Mr. Maude: I think that we can take it from that answer that no Minister read that important report. Does not the fact that just months later half of the country's personal data were lost because of atrocious information security systems—in a department cobbled together by the Treasury when the Minister for the Cabinet Office was a key adviser in the Treasury—show a shocking lack of grip and competence, and should not the Minister for the Cabinet Office be spending less time writing manifestos for bottled elections and more time running the Department he is paid by the taxpayer to run?

Gillian Merron: I am sorry that the right hon. Gentleman feels that way. I have described to the House what is a robust and rigorous system. Of course, no Government could give the assurance that in every case everything will turn out right. If the right hon. Gentleman is suggesting that his Government could have done that, I would be interested to hear that. We should be looking forward. The Prime Minister has asked the Cabinet Secretary to conduct a thorough review across government and all the Departments and agencies that handle data. That report will be published shortly. Parliament will be well advised of it, and I think the right hon. Gentleman would be well advised to await the outcome of that review—to look forward rather than back.

Norman Baker (Lewes) (LD): Should not the Cabinet Office be rather more effective and proactive across government in reducing the Government's overall carbon footprint? Is the Minister aware of last week's National Audit Office report, which showed that performance against Government targets for reducing carbon emissions is poor and that electricity consumption has rocketed? Is it not time that we had a little less greenwash from the Cabinet Office and a bit more effectiveness, so that it puts its own green house in order?

Gillian Merron: It might help if I were to remind the House that we are the first Government to publish a climate change Bill, and I hope that we will be given full support on that. It would also be useful if we were to remind ourselves that the Cabinet Office's role is to support Cabinet and Cabinet committees—that includes a range of issues—to co-ordinate emergency and crisis response, and to strengthen the civil service's capability. We are talking about the National Audit Office, so perhaps I could do no better than to quote its recent report about the Cabinet Office. The report said that in helping to meet targets on the Government's programme of priorities, the Cabinet Office has

> "an effective system for measuring other departments' progress in achieving their PSA targets."

I am sure that the hon. Gentleman will be pleased to hear that.

Social Exclusion

3. **Mr. Andrew Love** (Edmonton) (Lab/Co-op): What recent discussions he has had with ministerial colleagues on Government policy on families at risk of social exclusion. [173052]

The Minister for the Cabinet Office (Edward Miliband): Following work with eight Departments, early in the new year we will publish the second part of the families at risk review. Its starting point is that investment in families, which has seen child poverty fall by 600,000, must be backed up by better services, including those for adults. So we will work with local authorities to ensure that whether it is in relation to health, housing or criminal justice, the needs and interests of the family as a whole are better recognised.

Mr. Love: As the Minister has mentioned, over the past 10 years we have taken 600,000 children out of poverty. However, we face major difficulties in delivering on our targets for 2010 and 2020. What more can my right hon. Friend do to ensure that we reach those targets in the time scales envisaged?

Edward Miliband: My hon. Friend rightly says that we have made important progress since 1997—taking 600,000 children out of relative poverty at a time when incomes are growing is an important achievement—but we have a lot further to go. We need to do three things. First, we need to continue to raise the incomes of people in poverty. Secondly, we must do more to encourage people in poverty to go into work—the announcements by my right hon. Friend the Secretary of State for Work and Pensions are designed to do that, including for single parents. Thirdly, we need to improve services. The children's plan, which was published yesterday, and the measures that we will take in January to help families at risk will all contribute to that. We have a strategy to carry on tackling child poverty and to build on the progress that we have made.

Bob Spink (Castle Point) (Con): The lack of decent social housing for vulnerable groups and families at risk of social exclusion is a particularly poignant problem at this time of year. What will the Minister do to ensure improved co-ordination between all Departments so that we can deliver better on that problem?

Edward Miliband: The hon. Gentleman is right to say that the issue of substandard housing is important. I believe I am right in saying that, since 1997, 1 million children have been taken out of substandard housing through the investment that we have made. I hope that he will support our plans to build 3 million homes over the coming years. I am afraid that some councils—obviously this is not a party political point—oppose those measures. I hope that he will join us in pledging to build 3 million homes over the coming years.

David Taylor (North-West Leicestershire) (Lab/Co-op): Many thousands of low-income families in this country do not have cars and live in isolated communities where there is poor public transport. They have some access to financial services through post offices, but they will no longer have that access in the months to come. Will the Minister have a word with his ministerial equivalent in the Department for Business, Enterprise and Regulatory Reform, particularly in respect of tightening up the framework on closures where the post office is the only shop in the village? Such closures will plunge thousands of families into social exclusion.

Edward Miliband: The consultation on local post offices is ongoing, and I know that we subsidise those offices to the tune of some £150 million a year. The other point that my hon. Friend makes is about the quality of bus services needed to get people to where they want to go. The Local Transport Bill is so important because it will improve bus services significantly outside London.

Mr. Gary Streeter (South-West Devon) (Con): Are not some of the families most at risk from social exclusion those who have to deal daily with the Child Support Agency and Her Majesty's Revenue and Customs on tax credits? This is not a political point, but is there anything that the Minister can do to improve the bureaucratic performance, especially of HMRC, so that families that are already hard pressed financially do not also have to suffer the stress of grappling with that faceless bureaucracy week in, week out, which only adds to their many difficulties?

Edward Miliband: There is always more to be done to improve the performance of departments such as the CSA and HMRC in delivering a good service. All of us see that in our local surgeries. The CSA is being reformed, and tax credits have helped millions of families, but that is no excuse for bad administration. We need to do more to improve matters, and that is what is going to happen.

Youth Volunteering

4. **Mr. Kevan Jones** (North Durham) (Lab): What steps he is taking to increase opportunities for young people to volunteer for public service in their community. [173053]

The Parliamentary Secretary, Cabinet Office (Phil Hope): The Government will be investing £117 million in youth volunteering through the youth-led charitable organisation v from 2008-2011. That is the biggest ever investment in youth volunteering.

In addition, we are supporting other youth volunteer programmes, including a £500,000 project for young adult volunteers to mentor young adult offenders and more than £400,000 for a project with local councils to engage young people in local volunteering activities.

Mr. Jones: I am grateful for that answer. Does my hon. Friend agree that one area in which young people can contribute is helping other young people? Will he join me in congratulating SHAID—Single Homeless Action in Derwentside—a group of young people in my constituency who give advice on homelessness to other young people? They provide a service that is not provided by any other agency locally.

Phil Hope: I am happy to join my hon. Friend in congratulating SHAID in his constituency. He is right: peer volunteering—young people helping other young people—is an important and constructive approach. I know that he plays a big role as a local champion of such projects in his constituency. The record investment is helping young people not only to help the community, but to help themselves. Those who volunteer get a huge amount out of the contribution that they make. Other MPs might follow my hon. Friend's example and take the opportunity of this time of year to send a message of thanks and congratulations to charities and third-sector organisations that will be working really hard to support some vulnerable people in our communities.

Peter Bottomley (Worthing, West) (Con): In addition to the Government's volunteering initiatives, will the Minister encourage all his colleagues and all right hon. and hon. Members to recognise the role of the cadet units in the armed services and the emergency services? Will he encourage people to join youth organisations such as the Boys' Brigade, the Guides, the Woodcraft Folk and so on, and later become assistant leaders and instructors? Will he also encourage the Department for Children, Schools and Families to have positions of responsibility at all ages in schools so that pupils get used to organising themselves and others, and then go on to join the more normal volunteer organisations?

Phil Hope: I agree with everything that the hon. Gentleman has said. Many young people get a huge amount out of joining a variety of voluntary youth organisations, including uniformed organisations and many others. An opportunity to volunteer can often be a pathway: one starts by joining an organisation and then becoming a leader in it, gaining huge skills that help in education and perhaps in getting a job later. It looks good on the CV if someone has been part of such organisations. Many young people have increasing opportunities at school to undertake social enterprise activities that give them a chance to plan and deliver projects of their own that can help other people.

Mr. Bill Olner (Nuneaton) (Lab): How can the Minister ensure that all young people have the wonderful opportunity to volunteer to do good public service? How will he spread that message to schools and other institutions, and will he ensure that local authorities and public bodies do not put any hurdles in the way of young people who want to volunteer?

Phil Hope: I agree with my hon. Friend. My right hon. Friend the Minister for the Cabinet Office and I launched the national youth volunteering programme in November, with £75 million to be spent through v, the youth-led charity organisation to deliver volunteering opportunities through national youth organisations and youth action teams working in every local authority. I hope that every young person will have a variety of part-time, full-time and leisure time opportunities to give something back to the community and enjoy themselves in the process.

Mr. David S. Borrow (South Ribble) (Lab): Lancashire police have been very successful in recruiting volunteers. Will my hon. Friend look at ways to enable them to increase the number of young volunteers who are working with the police to give a good service to the people of Lancashire?

Phil Hope: May I congratulate my hon. Friend on the work that he does to support young volunteers in his constituency? I was involved in the "Second Wave" project in London recently, where I saw first hand a number of black young people working with the police in their community. They talked and worked together to bring about a safer community both for young people and the wider community. There is a lot more that we could be doing to engage the police with young people in volunteering opportunities to create better communities for all of them to live in.

Youth Volunteering

5. **Joan Walley** (Stoke-on-Trent, North) (Lab): If he will make a statement on the progress of the national youth volunteering programme. [173054]

6. **Shona McIsaac** (Cleethorpes) (Lab): What assessment he has made of the effectiveness of the national youth volunteering programme; and if he will make a statement. [173055]

The Minister for the Cabinet Office (Edward Miliband): The national youth volunteering programme is the main part of v's activities and involves funding 152 organisations to recruit volunteers up and down the country and in every local authority to form a team to promote volunteering to young people. Over the coming three years, that will help v progress towards its objective of 1 million new volunteers.

Joan Walley: May I welcome this truly record investment in the youth volunteering programme? Will the Minister tell me how many young people will benefit? Will he investigate how he can work with you, Mr. Speaker, to establish how we can lead on citizenship and volunteering? Will he visit my constituency to see how we can promote awareness of this wonderful programme?

Edward Miliband: I am certainly happy to visit my hon. Friend's constituency to see the work that is being done there. She makes an important point about the role of citizenship in our society. Recognising the voice and talents of young people is what the v scheme does. It is run by a dynamic group of young people called v20, who control much of the programme. It is a good example of the great things that young people can do in our country.

Shona McIsaac: Last Saturday night, I was invited to watch 150 young men take part in a football tournament organised by Sport Lincs with the aim of reducing antisocial behaviour. They want to encourage young people to become volunteer coaches so that the campaign can continue. What funding is available for such projects?

Edward Miliband: My hon. Friend mentions a worthwhile project. I know from my own area that midnight football can make a huge difference to young people by providing diversionary activities from antisocial behaviour. I hope that that is the sort of thing that v will fund and I encourage my hon. Friend to apply for such funding.

Volunteers

7. **Paul Clark** (Gillingham) (Lab): What steps the Government are taking to increase training opportunities for volunteers. [173056]

The Parliamentary Secretary, Cabinet Office (Phil Hope): In the third sector review the Government committed to developing a sector skills strategy. As part of that, on 26 November my right hon. Friend the Secretary of State for Innovation, Universities and Skills announced that the train to gain skills programme will be extended to volunteers. That will allow thousands of people in the third sector, paid and unpaid, to gain the skills that they need to be able to contribute fully to a thriving third sector.

Paul Clark: I thank my hon. Friend for that response. He will know that volunteers and voluntary organisations the length and breadth of the country are important in building sustainable and stronger communities, no more so than two projects in my constituency: the Activity Loft on the Vineries estate and the Sunlight centre. Both are award-winning projects. What steps will he take to ensure that they get full access to such train to gain schemes, against the pressures of time and with as much ease as possible?

Phil Hope: I can give my hon. Friend some good news. The train to gain programme, which will now include skills funding for volunteers, will make a huge difference. The Sunlight Development Trust—one of more than 400 development trusts with more than 15,000 volunteers—will greatly benefit from those resources. My hon. Friend hosted a reception in the Commons where those trusts presented him and other MPs with awards. They described him as a committed and hard working constituency MP who was approachable, honest and truly committed to social justice and working with the most vulnerable. I could not agree with them more.

I can only say that I agree with the organisation that said that

"the third sector is in vibrant health...more Third Sector Organisations than ever...more Government funding than ever."

That organisation was the Conservative social justice policy group.

Charity Bank in the North

9. **Mr. Michael Clapham** (Barnsley, West and Penistone) (Lab): What assessment he has made of the effect of the activities of the Charity Bank in the North on local third-sector organisations. [173058]

The Minister for the Cabinet Office (Edward Miliband): I was privileged to attend the launch last month of the Charity Bank in the North, which aims to make over £20 million available to the third sector in the Yorkshire and Humber region. I hope very much that that investment will help third-sector organisations to grow in new ways over the years ahead.

Mr. Clapham: The voluntary sector is thriving in the coalfield communities. In particular, the Coal Industry Social Welfare Organisation offers a one-stop shop for people in mining villages and continuity for the recreation facilities provided in those villages. What advice does he have for CISWO and other voluntary sector organisations in the coalfield communities about accessing the finances of the Charity Bank?

Edward Miliband: I know very well from my constituency the good work that CISWO does. I would encourage it and other voluntary sector organisations to apply to the Charity Bank in the North for funding. I hope that that will help them to prosper in the years ahead and to improve the work that they do for communities throughout the coalfield areas.

PRIME MINISTER

The Prime Minister was asked—

Defence Export Services Organisation

Q1. [173035] **Dr. Julian Lewis** (New Forest, East) (Con): Which Ministers he consulted before he took the decision to abolish the Defence Export Services Organisation.

The Prime Minister (Mr. Gordon Brown): First of all, I am sure that the whole House will wish to join me in sending our profound condolences to the family and friends of Sergeant Lee Johnson of 2nd Battalion the Yorkshire Regiment, who was killed in Afghanistan on Saturday. We owe him, and others who have lost their lives, a deep debt of gratitude.

On changes in the defence exports organisation, I can tell the House that we have separated the awarding of export licences from the promotion of defence exports. The Secretaries of State for Business, Enterprise and Regulatory Reform, Defence, and Foreign Affairs were all consulted. As the Secretary of State for Business, Enterprise and Regulatory Reform announced yesterday, there will be a separate defence and security group within UK Trade and Investment. It will recruit seconded staff from the Ministry of Defence and it will be ready to expand its sales by drawing on UKTI's links with up to 100 countries.

Dr. Lewis: I entirely endorse what the Prime Minister said about Sergeant Johnson.

One name was missing from the Prime Minister's list of Ministers consulted—that of Lord Drayson. Is not it a fact that he was not consulted, and did not give his approval for this disastrous change? Is not that why that excellent ex-Minister now prefers to spend his time going round in circles on a motor racing track, rather than doing the same thing as a member of this hopelessly failing Government?

The Prime Minister: As everybody knows, Lord Drayson remains a member of our Business Council for Britain. He left the Government for personal reasons that I hope that everybody understands. As for the defence exports organisation, I think that the hon. Gentleman should agree that it is right to separate the awarding of export licences from the promotion of defence exports. It is also right that the defence exports organisation, which operated in only 19 countries, is now able to draw on the expertise of UKTI, which operates in 100 countries. Defence exports will benefit, as the head of British Aerospace acknowledged in a statement only yesterday.

Ann Clwyd (Cynon Valley) (Lab): As a former member of the Quadripartite Committee on arms exports, and someone who campaigned for many years for reform of the DESO, I should like to congratulate the Prime Minister. He has done the right thing.

The Prime Minister: This market is worth £5 billion a year for Britain, and we account for 20 per cent. of world exports. However, it is right to separate the awarding of licences from the promotion of exports. That is what we have done. The defence exports organisation, which is now part of UKTI, will benefit from that and, over a period of time, the whole House will see the wisdom of the decision.

Engagements

Q2. [173036] **Tim Loughton** (East Worthing and Shoreham) (Con): If he will list his official engagements for Wednesday 12 December.

The Prime Minister: I held meetings with Ministers this morning. In addition to my duties in the House, I shall have further meetings with Ministers later today.

Tim Loughton: My constituents are battling against the closure of not 18 per cent. of sub-post office branches—the national average—but in some cases 50 per cent. across the constituency, despite a well above average pensioner population, and the fact that the remaining Crown branches are unable to cope with demand. At the same time, my councils face a £650,000 shortfall in the bus concessionary fares scheme, West Sussex county council again has the lowest grant increase, and we are still waiting to hear which hospitals will be downgraded. Will the Prime Minister meet a delegation of my local residents to explain to them what we are doing so wrong in West Sussex to be treated so unfairly?

The Prime Minister: That is the longest spending bid from the party that wants to cut public spending, rather than increase it. As for local post offices, I understand people's frustrations, but there is a recognised appeal system, which will involve Postwatch, and we have put in £1.7 billion to help post offices. Not a penny was put in by the Conservative Government.

Ms Dari Taylor (Stockton, South) (Lab): The Prime Minister has paid tribute to Sergeant Lee Johnson. I add mine. Lee Johnson was a constituent of mine; he served bravely in the Army for 18 years. He was due to come home this Christmas but decided to stay to finish his command tour with his serving group. Will my right hon. Friend reassure the House that Lee Johnson's fiancée and his two children will be treated in the best way by the armed forces, and given all that a serving officer who died so bravely deserves?

The Prime Minister: I endorse what my hon. Friend said about both the bravery and the dedication of Lee Johnson. I also endorse what she says about our duties to the widows and families of those who have died. Sergeant Johnson was serving bravely in an exercise in Afghanistan that yielded great success for the expedition against the Taliban, and the whole House will want to pay tribute not just to him but to the dedication of all the servicemen and women involved.

Mr. David Cameron (Witney) (Con): I join the Prime Minister and the hon. Lady in paying tribute to Sergeant Lee Johnson, who was killed on Saturday in southern Afghanistan.

May I turn to another part of the world where British soldiers are stationed? The deadline for discussions on the future status of Kosovo expired on Monday. What does the Prime Minister expect to happen next?

The Prime Minister: There will be a discussion this weekend at the European Council; this is a European responsibility. We believe that Kosovo should move to supervised independence. It has not been possible to get an agreement between the Kosovans and the Serbians. We believe that the European Union must make resources available to match the forces already in Kosovo, and we hope we can move to what we call supervised independence—in other words, the Kosovans will have their rights met, but in conditions where we do not have violence.

Mr. Cameron: I am grateful for the Prime Minister's answer. Are not there three clear principles that we have to follow? First, Kosovo cannot be left in some sort of suspended constitutional limbo. Secondly, the resolution of Kosovo's final status cannot involve the reopening of borders anywhere else in the region. Thirdly, should we not use NATO reserve force to reinforce, as a precautionary measure, the troops who are in Bosnia? Will the Prime Minister follow those very clear principles?

The Prime Minister: I think it would be premature to put forces in at this stage. There are already forces in Kosovo. A statement was made to the House yesterday. It is the last area of the Balkans where we need to have arrangements in place that will ensure peace and stability in the future. I personally believe that the Serbians have an interest in working with the European Union, and we must persuade them to do so, but the important point is that we support the supervised independence of the Kosovan people. That will be reiterated by the European Council tomorrow. The message is going out loud and clear to Serbia and Russia that this is the course we wish to take, and I hope that there will be all-party support for the action we are taking.

Helen Southworth (Warrington, South) (Lab): Will my right hon. Friend find time in his schedule to look at the successes of Daresbury laboratory and the science and innovation campus there, where Government investment is being used to create world-leading science and put it into production?

The Prime Minister: I have talked to my hon. Friend and to a delegation from the north-west about the important work being done there. I know there was disappointment a few years when the synchrotron investment did not come its way, but I know, too, of the path-breaking research that is being done there. Over recent years, we have doubled the science budget, and the future of north-west science facilities is an important part of that. I will continue to work with my hon. Friend to secure the future of her area.

Dr. Vincent Cable (Twickenham) (LD): May I add my condolences to the family of Sergeant Johnson?

When the Prime Minister tucks into his Brussels sprouts on his one day off at Christmas, which of the various disasters of the last six months will haunt him most: his indecision over the election, his inaction over Northern Rock, or the gross incompetence of the loss of 25 million people's personal data?

The Prime Minister: It is nice to have the hon. Gentleman here, and I thank him for his appearances over the last few weeks. Given the history of the Liberal party, it may not be long before he is back in that place again, representing his party. As for the issues of the last few months, we have made long-term decisions on energy, the environment, transport, infrastructure, planning, skills and the economy, and that is what governing is all about.

Dr. Cable: Given the Prime Minister's own position, he might not be wise to speculate about leadership elections. Is not the real disaster, for which he has personal responsibility, the continuing tragedy in Iraq? When he was in Basra this week, was he told that at least 40 women have been executed for personal immorality? Is that why 173 British troops have died—transferring power from the fascist regime of Saddam Hussein to the terror of the fascist militia who run the streets of Basra?

The Prime Minister: Iraq is now a democracy. Millions of people have voted. When I went to Basra, only two days ago, I found that there had been a 90 per cent. fall in violence over the last few months. We are now able to hand over Basra to provincial Iraqi control. So instead of the British forces having to engage in a combat role, we will, over time, be engaged in a training role, supporting the Iraqi forces. Over these last few months, 50,000 people have been trained as police and security forces. This is Iraqis taking control of their own security. I would have thought that, even with the differences over the war, the hon. Gentleman would have welcomed the progress that is being made.

Mr. Michael Meacher (Oldham, West and Royton) (Lab): Since Northern Rock has exposed widespread trading in worthless financial derivatives, gross exploitation of tax havens, opaque accountancy and gross exploitation of charity tax laws, will my right hon. Friend set up a committee of inquiry into the governance, accounting, auditing and transparency of the UK banking system?

The Prime Minister: We will investigate any specific issue that my right hon. Friend brings to our attention, but surely, for this House and for the people of this country, the most important thing is to protect the savers, depositors and mortgage holders of Northern Rock. Throughout, we have taken the right decision, so that savers, depositors and mortgage holders can be protected against the global financial turbulence that has affected them.

Q3. [173037] **Michael Fabricant** (Lichfield) (Con): A police officer in Linlithgow is now paid more than a police officer in Lichfield for doing exactly the same job. Is that fair? Is that right?

The Prime Minister: What is happening in Scotland is this: to pay the police more, the planned increase of 500 policemen has been suspended. I know what my constituents and the hon. Gentleman's constituents would prefer—that there were police on the streets. We have more police in this country on the streets, helping us, than at any time in our history. I more than anybody would like to be able to say to the police that we could pay their wages and their salary rise in full, but I have to say to them that no policeman and no person across the country would thank us if their pay rise was wiped out by inflation—and no party should know that better than the Opposition, given that there was 10 per cent. inflation in the 1990s. That is why the awards are being staged. Over the last 10 years, police pay has risen by 39 per cent., and by 9 per cent. in real terms. We have managed to combine that with having rises in police numbers and the biggest police force in history. That is the policy of the Government.

Q4. [173038] **Mrs. Madeleine Moon** (Bridgend) (Lab): Drug use and antisocial behaviour fell in my constituency with the development of Kenfig Pyle Community Youth, which offers young people opportunities to engage in arts, sports and other activities. Will my right hon. Friend agree to meet a delegation from KPCY to discuss how young people can engage further in cutting antisocial behaviour, drug use and drinking?

The Prime Minister: My hon. Friend is absolutely right. We have to be tough on antisocial behaviour and abusive drinking among young people, and at the same time, we must say to young people that if they want to get off the streets, we will provide youth facilities for them. Yesterday's children's plan was historic, because it was the first announcement of youth centres for every constituency in this country, with £160 million to be spent over the next three years. That is honouring our commitments to the teenagers of this country, in the same way as we have honoured our commitments to young children with Sure Start centres. I hope that there will be all-party support for this new investment.

Mr. David Cameron (Witney) (Con): In February, the present Foreign Secretary said:

> "I predict…in six months or a year's time, people will be saying, 'Wouldn't it be great to have that Blair back, because we can't stand that Gordon Brown'."

Is the Prime Minister grateful to have such a far-sighted Foreign Secretary?

The Prime Minister: Once again, when the right hon. Gentleman has chances to ask questions about policy, he ducks them at every point. I will tell him what this Government are doing. Today's employment figures are the best in history, and unemployment is falling faster. The minimum wage is rising and there is more investment in the health service. That is what a Labour Government are about.

Mr. Cameron: I will tell the Prime Minister what his policies have achieved: the first run on a bank in 140 years—and he has lost half the country's bank details and triggered a police investigation into his own party. That is what he has achieved.

Let me try another question. Why does the Prime Minister think that Tony Blair has described his Cabinet as the B team?

The Prime Minister: Again, nothing about substance. The right hon. Gentleman said on television on Sunday that he was desperate to talk about education—but when he gets the chance, he talks about gossip. When it comes to rising to the challenges of this country, over the past few weeks we have made decisions on housing, education and health. That is what governing is about, not gimmicks.

Mr. Cameron: But it is the substance that is going wrong for the Prime Minister. Look at the big decisions. We have small businesses up and down the country that want to know about capital gains tax, but he will not decide. We have tens of thousands of pensioners wanting decisions on their pensions, but he will not decide. We have the whole reputation of the country being wrecked because of Northern Rock, but he will not decide. We have a Prime Minister who cannot even decide whether he is going to go to Lisbon—is he going to sign the European treaty? Is it not clear that we now have an utterly dysfunctional Government?

The Prime Minister: Nothing to say about the big policy issues! On pensions, this Government have brought in the winter allowance, and that is why millions of pensioners are getting the winter allowance this Christmas. On the economy, we have the fastest growing economy in Europe, which is why today's employment figures are so good. On the health service, we have cut waiting lists as the Conservatives never did. That Government failed; this Government succeed.

Mr. Cameron: The Prime Minister's Government are failing because they are dysfunctional. The Foreign Secretary gets his speeches rewritten after they have been briefed out. The security Minister is not allowed to speak about detention without trial. The Chancellor is so frozen out of decisions that he has become a national joke in the City of London. If the Prime Minister will not listen to his Cabinet, why should anyone else? For a decade he told us that if only he were in charge, we would have competence, trust and change. Instead, this year we have seen drift, dithering and incompetence. Is not 2007 the year that he got found out?

The Prime Minister: Pre-prepared phrases—and still, after two years as leader of the Conservative party, absolutely no substance.

When it comes to the big issues, over 10 years we have maintained stability in the economy. Over 10 years, employment has risen and rising living standards have happened. Nearly 2 million home owners have been created over the past 10 years, and more people are in jobs than ever before. That is what governing is about. The right hon. Gentleman has gimmicks; we will continue to govern.

Mr. David Clelland (Tyne Bridge) (Lab): Does my right hon. Friend recall saying, in answer to my hon. Friend the Member for Birmingham, Perry Barr (Mr. Mahmood) on 28 November:

> "We are trying to remove every barrier to young people getting the chance of both training and jobs."—[*Official Report*, 28 November 2007; Vol. 468, c. 278.]?

Does he agree that transport costs can represent such a barrier? Will he ask the Government office for the north-east to support the campaign by the North East Regional Youth Assembly to bring about concessionary travel for young people between the ages of 14 and 18, so that they can take full advantage of the education and training opportunities available to them?

The Prime Minister: We will certainly look at anything that removes the barriers to young people getting jobs. We have introduced changes that will make it possible after the age of 16 for young people without qualifications to make the transition to work. For those who are in work, where travel costs are high, we are already helping adults as a result of an announcement made two weeks ago, and I will look at what my hon. Friend says about young people. We will take action to remove any barrier to young people getting jobs.

Q5. [173039] **Mr. Adrian Sanders** (Torbay) (LD): A number of my Torbay constituents are among the 125,000 people whose pension schemes collapsed between 1997 and 2005. They want to know when the long-awaited Young report on their plight is to be published.

The Prime Minister: As the hon. Gentleman knows, the Young report is considering how we can move to a 90 per cent. guarantee for the 125,000 people who have lost their pensions through no fault of their own. As he also knows, we have already provided £8 billion over a number of years to make good the provision of pensions. The Young report is now showing that there are more resources available, and I am confident that in the next few days we will be able to announce that there will be a 90 per cent. guarantee for all the 125,000 pensioners.

Mr. David Anderson (Blaydon) (Lab): Will the Prime Minister make contact with the authorities in the United Arab Emirates to ask about the whereabouts of Alsadiq Abdullah, who disappeared on 23 September and has not been seen since?

The Prime Minister: I understand that the constituent to whom my hon. Friend refers is a British business man, but he has Sudanese nationality. It is a matter for the Sudanese to put pressure on that Government. I believe that that is happening, and we will support the Sudanese in anything they do.

Q6. [173041] **Mr. David Amess** (Southend, West) (Con): Has the Prime Minister been watching a television series that I, for one, found deeply offensive? It was called "The Blair Years". During one of those episodes, Mr. Blair claimed that it was his decision to give independence to the Governor of the Bank of England to set interest rates—a fact that surprised some of us. Will the Prime Minister tell the House, in the light of the present Government difficulties with the economy, who is responsible for the terrible shambles that the Government are in? Is it the Prime Minister, the Chancellor of the Exchequer or Mr. Blair—or is it all the fault of the Opposition, Mr. Bean or dear old Santa Claus?

The Prime Minister: I am happy to tell the hon. Gentleman that it was the Government who made the decision to make the Bank of England independent. I am afraid I have to remind him that that was opposed every inch of the way in the Lobby by the Conservative party. I hope that the Opposition have thought better of their ways, because that was the right decision for Britain.

Q7. [173042] **Mr. Russell Brown** (Dumfries and Galloway) (Lab): I warmly welcome the recent announcement on elderly care. However, will my right hon. Friend share with the House his views on councils who go out to market-test for services, ultimately leading to privatisation and cuts in services such as refuse collection and home care for the elderly, as is being proposed by the rainbow coalition of Dumfries and Galloway council, led by the Conservatives?

The Prime Minister: I understand that the Conservative-led council is cutting services in my hon. Friend's constituency. That is damaging to the local people. Value for money is the big test of whether services are provided in the best way for people, and from what I gather, the council in that area is not providing value for money for the local people.

Ann Winterton (Congleton) (Con): Will the Prime Minister join me in congratulating our superb military on driving the Taliban out of Musa Qala after a fiercely fought operation? But does he realise that a great opportunity to win hearts and minds was lost because families and friends had to learn of details of that major and critical engagement from the media, with minimal input from the Ministry of Defence? Will he ensure that this regrettable omission does not recur in future, and that the MOD drives—

Mr. Speaker: Order.

The Prime Minister: It is for the Ministry of Defence, but particularly for the commanders on the ground, to decide what is right in the particular instance of an operation that is being carried out. I understand that a lot of the information was being provided by the Taliban, who were trying to make a propaganda gain out of what was happening. I am satisfied that our commanders on the ground were doing exactly the right things by our own people, and I am only sorry that families heard about it in a roundabout way rather than directly from the reports of success.

Q8. [173043] **Helen Jones** (Warrington, North) (Lab): The young people of Burtonwood in my constituency have no youth club. The youth bus comes only once a week and it is difficult for them to get into town because of poor public transport. What can the Prime Minister offer them for Christmas? Does he think that spending money on our young people is much better than offering tax breaks for dead millionaires?

The Prime Minister: The expansion of youth centres in our country will be a major feature of the next few years, and I believe that it is a very important contribution to the cohesion of our communities. I have to say that people who oppose the investment of £160 million in youth centres, oppose the education leaving age going up to 18, oppose the status being given to diplomas and then refuse to support education maintenance allowances are from a party that believes in opportunity for some. We believe in opportunity for all.

Angus Robertson (Moray) (SNP): The police in Scotland are receiving a full pay rise, including back pay, from the—*[Interruption.]*

Mr. Speaker: Order. Let the hon. Gentleman speak.

Angus Robertson: I will enjoy saying this again. The police in Scotland are receiving a full pay rise, including back pay, from the Scottish National party Government. Will the Prime Minister take this opportunity to congratulate First Minister Salmond on that fair decision?

The Prime Minister: No. The SNP said in its manifesto:

> "we will set out plans in our first Budget for Scotland for 1000 more police".

It did not honour its promises; there were only 500, not 1,000. The hon. Gentleman should be ashamed of his party.

Q9. [173044] **Mr. Mark Hendrick** (Preston) (Lab/Co-op): I understand that the Government have a policy of reducing carbon dioxide emissions by 60 per cent. by 2050, and of bringing in five-yearly carbon budgets and an independent committee to oversee the climate change programme in this country. Can my right hon. Friend tell me of any other country in the world that has taken such decisive action?

The Prime Minister: We are the first Government in the world to have a Climate Change Bill that will legally require us to cut carbon emissions over a long period of time. I am proud that this Government announced that measure in the Queen's Speech. We are also working with other countries at Bali to get an international agreement that will cut carbon emissions, lead to more renewables being used in the supply of energy and make for greater energy efficiency around the world. I appeal to all continents and all countries to join now a global agreement that will cut carbon emissions.

Q10. [173045] **Malcolm Bruce** (Gordon) (LD): Will the Prime Minister acknowledge that while the Government rightly give tens of millions of pounds every year to support indigenous British languages such as Welsh and Gaelic, another British language—British sign language—gets no such support. Will the Prime Minister meet me, and a delegation of sign language users, to discuss how the Government can meet their needs, as they are currently failing to do?

The Prime Minister: I am grateful to the right hon. Gentleman for raising that issue, and I will be very happy to meet him. It is a very important issue, and we will see what we can do together.

Q11. [173046] **Phil Wilson** (Sedgefield) (Lab): Next year, a national centre for plastic electronics will open in my constituency with the help of Government investment. The technology will help lead the next generation of computers, and by 2015 it will be a £16 billion industry. Does my right hon. Friend agree that the Government's belief in the talents of our people will ensure that we will not return to the dark days of the Tories, when there was 40 per cent. unemployment in my constituency?

The Prime Minister: I applaud my hon. Friend for fighting for jobs for his constituency. Science investment will treble over a 15-year period, and that will mean that there will be more jobs in science in all the constituencies of the country. He will be pleased to note today that the employment figures say that employment in Britain is now at 29.4 million—the highest ever recorded in our history, and the result of the fact that we have a Labour Government.

Q12. [173047] **Paul Rowen** (Rochdale) (LD): Is the Prime Minister aware that pensioners will be able to collect their pensions from post offices only on Christmas eve, because the Department for Work and Pensions will not transfer the money? Does he not believe that that will inconvenience many pensioners, and is another nail in the coffin for post offices?

The Prime Minister: I have looked into this matter and I think that the hon. Gentleman is wrong. Large numbers of pensioners will have their pension advanced to Friday, when it will be paid, as a result of representations already made, and the Post Office has assured us that the remaining number—those who get weekly pensions—will get their pensions on Monday and there will be sufficient facilities available for that pension to be paid to them on Monday. I hope that that clears up any misunderstanding. Pensions will be paid to millions of people on Friday as well as on Monday.

Barbara Keeley (Worsley) (Lab): Elderly and disabled people and their carers in my constituency want flexible care arrangements that can give them the maximum possible dignity, and they will welcome the social care reforms announced this week. Can my right hon. Friend assure me that those reforms will continue so that those who depend on social care can have the best possible quality of life?

The Prime Minister: I applaud the work that my hon. Friend does in promoting the interests of carers and social services generally. The social budgets that are being increased will give people far more freedom to spend money in a way suitable to their needs. That is what making the big decisions about the future is all about. We will invest in social services for the future; the Conservatives will cut the budgets. They are about style, and we are about substance.

Afghanistan

12.31 pm

The Prime Minister (Mr. Gordon Brown): With the support of the whole House, I start by paying tribute to our armed forces in Afghanistan and elsewhere. They are doing vital work, giving so much every day in dangerous places in the service of our country. Let me particularly pay tribute to the 86 British servicemen and women who have lost their lives in Afghanistan, 42 of them this year alone. I know that the whole House will join me in honouring the memory of the fallen and saluting the courage of all our military and civilian personnel.

Let me, on the morning of the capture of Musa Qala, praise the professionalism and resolve of our forces in recent days. They have helped to defeat the insurgents and in a vital district of Afghanistan they have restored peace. Let me make it clear at the outset that as part of a coalition we are winning the battle against the Taliban insurgency. We are isolating and eliminating the leadership of the Taliban; we are not negotiating with them. For six years, 38 countries have come together with the people and Government of Afghanistan to rebuild this failed state, to prevent the return of the Taliban, and to root out al-Qaeda. I can tell the House that Britain will continue to meet our obligations and honour our commitments, discharging our duties on this task and to the people of Afghanistan.

Having been reviewing our strategy since July, I now want to announce the next stage. It is a long-term and comprehensive framework for security, political, social and economic development in support of Afghanistan. This long-term comprehensive framework entails, first, more Afghan ownership, with the Afghan army, police and Government building on NATO military achievements and taking over more responsibility for their own security. Secondly, we support localisation and then reconciliation, with Afghans building on the creation of a democratic constitution by developing and strengthening their institutions not just at national but at provincial and local level as we support that search for political reconciliation. The third aspect is reconstruction. In what is still one of the poorest countries on earth, where only one in three has clean drinking water, life expectancy is just 43, and 80 per cent. of women cannot yet read, we will help to ensure, through reconstruction and development, that more Afghan people have an economic stake in their future. Fourth, to underpin this, we will help to ensure greater burden sharing by all partners and allies, with each of us playing our part—as hard-headed realists, not idealists—in the long haul to help the Afghans themselves to govern and secure their own land, and together therefore shifting our emphasis from short-term stabilisation to long-term development.

The foundation, now and in the future, for our comprehensive framework is military support for the Afghan Government against the Taliban-led insurgency, also denying al-Qaeda a base from which to launch attacks on the world. Throughout last winter, Taliban propagandists repeatedly promised a "spring offensive". Instead, it is the British and other NATO forces, together with the Afghan army, who have taken the initiative. We have been driving the insurgents and extremists out of their hiding places, preventing them from regrouping and attacking the areas around the provincial capitals where stability is taking hold.

It is this military success that has preserved Afghanistan's emerging democracy: a constitution, fragile but still intact; a free media; and a changing society where, unlike six years ago when women were banned from education, from work, and from virtually all of public life, there is now a higher proportion of women MPs in Afghanistan than in many western countries, and 5 million children are at school, 2 million of them girls once denied education.

We need to hold and to reinforce what we have achieved together, so Britain will maintain a strong military force in Afghanistan of around today's figure of 7,800. That is a contribution second in size only to America's. We will increase our support for our forces: I can announce today, fully funded from the reserve, 150 new protected patrol vehicles specially procured for Afghanistan, bringing to 400 the total of new protected vehicles bought in the last 18 months for Iraq and Afghanistan. We will combine that with increasing numbers of Sea King helicopters in Afghanistan, and through NATO, new contracts will be negotiated for leasing commercial helicopters to move routine freight, freeing up military helicopters for military tasks.

However, because we know that military success is only one part of the framework—a necessary but not sufficient condition for progress in Afghanistan—we will train Afghan forces to take ownership of their own security. Next year, we will aim for 70,000 trained Afghan soldiers, 20,000 more than now, supported by a rising number of British trainers and mentors—340 of them—that will be part of an overall NATO training force of over 6,000. Already, the Afghan army is proving itself in Musa Qala.

But the challenge of supporting an Afghan lead on security goes wider than the armed forces; it includes the police, courts and prisons. Here we are dealing with decades of failure and corruption, and progress has been slow, but by March 2008 there will be over 800 international police trainers, including 65 police from Britain. That must be matched with a wider effort across civic society, which we will continue to support, for judges, courts and prisons—working with the grain of Afghan traditions but within international norms. One way forward is to increase our support for community defence initiatives, where local volunteers are recruited to defend homes and families, modelled on traditional Afghan "arbakai".

To ensure that longer-term political and economic objectives are the guiding force behind the security campaign, we have brought the British civilian and military personnel together into a colocated headquarters. We will continue to strengthen their integration, and at the same time we will recruit and deploy more specialists who speak the local languages and understand tribal dynamics. But again, the Afghans themselves must be persuaded to take the lead in improving local and national government, and on my recent visit I saw the scale of the challenge, but also the opportunity, and the importance of our support.

I can announce today that from our Afghanistan aid programme, which has already spent £490 million in six years, Britain will fund two additional programmes for local government: first, to help the Afghans create

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stronger provincial and local governance, including building the capacity of the directorate of local governance and supporting civil society groups to hold local government to account; and, secondly, to provide more support for the national solidarity programme, which builds the capacity of local communities to run their own development projects.

As a measure of the importance we attach to stability in building local capacity, we will immediately move infrastructure projects forward in Musa Qala, which we have recaptured, and upon which we now wish to build, on firmer foundations. That process will include a work programme for up to 10,000 people, and plans to rebuild and refurbish the district centre, and to rebuild the main high school and four mosques in the area.

Our objective is to defeat the insurgency by isolating and eliminating its leadership. I make it clear that we will not enter into any negotiations with these people. As I have also made clear on countless occasions—most recently in Afghanistan—our objective is to root out those preaching and practising violence and murder, in support of men and women of peace. President Karzai's message to former insurgents is that if they are prepared to renounce violence, abide by the constitution and respect human rights, there is a place for them in the legitimate society and economy of Afghanistan. He and his Ministers told me this week that already some 5,000 fighters have laid down their arms. We will support President Karzai and his Government in their efforts to reconcile all parties to Afghanistan's democratic constitution.

We know also that Afghanistan will never be stable without the constructive engagement of its neighbours. During my visit, President Karzai agreed on the need for greater regional cooperation. We continue to work with the Afghan and Pakistan Governments, the G8 and others to help bring stability across the Afghan-Pakistan border. Iran, too, must start to play a more constructive role, and I urged President Karzai to turn the current ad hoc meetings and structures that he has with Pakistan and other countries into more substantive mechanisms to bring stability and security to the region.

The third priority is reconstruction and development—always at its most challenging where poverty is combined with insecurity and insurgency, but a strong long-term commitment to which is vital for the Afghan Government if they are to take responsibility successfully for the future of their country. I can therefore announce to the House today that, in total, Britain will make available £450 million in development and stabilisation assistance for Afghanistan for the years 2009 to 2012. This money will cover short-term priorities and longer-term objectives.

When I was in Afghanistan and met local business leaders, President Karzai and I agreed a comprehensive plan, to be taken forward jointly by the Afghan and British Governments and the Aga Khan Development Network, to attract private sector investment into the country and to stimulate new businesses. A new growth fund, starting with an initial £30 million, will kick-start the development of basic legal and regulatory frameworks, build Government capacity to involve the private sector in providing public services, and pilot business training programmes. This will be led by a council of Ministers, business representatives and other experts, who will build contacts with the private sector inside and outside Afghanistan. They will advise the Government on how to increase investment and economic growth, and monitor the progress being made. Britain will also provide an additional £10 million for small loans, which will be of special help particularly to women, to start up or expand businesses; 70 per cent. of the initial applicants have been women.

Our long-term objective is to support Afghanistan's own national development strategy by channelling our aid through the Afghan Government—which we believe to be the best route to achieving sustainable progress and the best value for money—on a long-term basis, helping the Afghans to plan ahead and, with good governance, to focus on their own priorities of economic growth, improving health and education, and building rural livelihoods. But we also recognise the need for short-term, high-impact stabilisation projects—better roads, more reliable power supplies, clean water and sanitation—which can make an immediate difference to the lives of ordinary Afghanistan citizens and show them the benefits of improved security and governance. Part of the £450 million that I announce today will help to fund Britain's new cross-government stabilisation unit, which has Afghanistan as its first priority, and which, with a global budget of £260 million over the next three years, will drive forward reconstruction projects and provide expert civilian support to rebuild basic services.

Afghanistan cannot hope for stability while the poison of the narcotics trade continues to flourish, so Britain—Afghanistan's lead partner nation in tackling narcotics—continues to support the Afghan authorities. We are providing £90 million this year to help them in their long-term efforts against the drug trade. While the situation with the poppy crop in Helmand province is difficult, it must be our aim to match the progress achieved in the rest of Afghanistan, where the number of poppy-free provinces has increased from six to 13 through a combination of stronger governance, targeted eradication—on which I have urged President Karzai to move forward—disruption of traffickers, strengthening of the justice system, and promoting legitimate agriculture.

We will continue to work with our partners who have proved steadfast in Afghanistan, and I welcome the recent announcements from Denmark, France, the Netherlands, Germany and Estonia that they will maintain or increase their troop numbers. This progress must, I believe, now be matched by contributions from other countries in NATO, the EU and beyond. We are talking to all our partners to address the immediate need for more training teams for the Afghan security forces, especially the police, and we are having detailed talks with a number of countries on more support helicopters, which are needed. Where countries are unable to deploy their own troops or equipment, we are urging them to look at innovative ways to burden share and to help to fund those countries that can provide troops and equipment.

Having described the challenges that we face in Afghanistan, I have set out our long-term commitment. It is to build on the military progress made so far by helping the Afghans to take greater leadership across security, governance and economic development. Because this priority and the need for a more consistent, integrated and co-ordinated international approach are now recognised across our partners, Britain continues to push for what will be the next step in this process: the appointment of a strong UN envoy to bring greater coherence across the international effort in security, governance and development and in relations with the Afghan Government.

Britain will continue to fulfil our obligations to the Afghan people and the international community. We will support the Afghan army, police and Government as they progressively take over greater responsibility for their own security. We will work with our international partners and help the Afghans themselves to strengthen stability, foster democracy and build prosperity. At all times we will support the hard work, dedication, professionalism and courage of our armed forces, who are doing everything in their power to defeat terrorism and to lay the foundations of a stable and secure future for Afghanistan. I commend this statement to the House.

Mr. David Cameron (Witney) (Con): I thank the Prime Minister for his statement; there is much in it that we support and welcome, particularly what he said about equipment. With the recent success in Musa Qala, I believe that we can say that the men and women serving in Helmand today are every bit the equal of those who stormed the beaches in Normandy, who held the line at Inchon in the Korean war, or who retook the Falkland Islands.

Christmas approaches, with our service personnel away from their families. I am sure that this is the time that the whole House will want to send them our very strongest backing. [Hon. Members: "Hear, hear.] I have been to Helmand twice in the last two years, and I have set out previously the significant course corrections that we need to make to avoid failing in Afghanistan. To prevent failure, I believe that we have to follow three principles: first, that, as the Prime Minister said, military success alone is not enough; secondly, that greater political progress is needed, based on a practical approach, rather than believing that we can impose a fully fledged western democracy in a deeply traditional society; and, thirdly, that the international effort needs to be much better co-ordinated.

Before I take each of those in turn, may I ask the Prime Minister about the reports in today's newspapers? Press headlines say clearly that the Government plan to talk to the Taliban, but the Prime Minister said in his statement that "we will not" talk to "these people". Does that not demonstrate once again the error of briefing the press in advance of making statements in this House? But is it not more serious than that? These appear to be completely conflicting messages, and they really could undermine our forces in what they are doing. In his reply, can the Prime Minister clear this up and tell us what he will do to investigate how this took place?

Let me take each of the three principles in turn. First, on the military, is it not the case that with the international security assistance force, Operation Enduring Freedom and the separate Afghan military commands, we simply have too many chains of command? All the evidence in defeating counter-insurgencies anywhere in the world is that there has to be a single chain of command. What progress has the Prime Minister made with the US and with NATO towards getting these rationalised?

Specifically on British forces, we have seen success in Sangin, at the Kajaki dam and now in Musa Qala, but is the Prime Minister satisfied that this time, there are sufficient Afghan forces to hold the ground that has been taken? On equipment and training, Lord Guthrie recently raised the example of a brigade being deployed to Afghanistan without having first been trained on medium machine guns. Is the Prime Minister satisfied that this will not happen again? As he knows, one cannot spend time in Helmand without hearing concerns about the lack of battlefield helicopters. He talked about that in his statement. Does he now regret the decision to cut the helicopter budget by £1.4 billion in 2004, and can he explain why the Government waited until this year before placing orders for new and converted helicopters?

The Prime Minister talked about burden sharing. Can he tell us precisely what progress is being made in ensuring that we get a greater contribution from our NATO allies?

On forces welfare, the Prime Minister has taken up our suggestion of additional pay in theatre. Will he now take up another suggestion—simple—that soldiers' leave should begin when they step off the aircraft on UK soil, not when they leave Afghanistan?

On pay, is it not now clear that the new Ministry of Defence computerised pay system is not working properly? We had problems with the Royal Air Force earlier, and now we have some Territorial Army officers not being paid at all. Can the Prime Minister tell us today how many people are not being paid properly and what he is doing to put these failures right?

Next, political progress. The general problem is that the writ of the Karzai Government does not extend to the whole country. In many places, Helmand included, the Afghan police are seen as corrupt. What steps are we taking in terms of mentoring, leadership, training, pay and discipline structures, and after six years, why are we still not getting this right? The UN drugs and crime chief has said:

> "The government's benign tolerance of corruption is undermining the future".

A new anti-corruption tsar, Izzatullah Wasifi, has been appointed. Will the Prime Minister comment on reports in the newspapers that Mr. Wasifi was once convicted in the United States of attempting to sell $2 million-worth of heroin?

Thirdly, on co-ordination, aid has been provided by the US, the UN, the EU and NATO as well as by dozens of smaller agencies. We have been arguing for more than a year that there should be a single high-profile figure to take charge of co-ordinating the international effort and providing real leadership in the way that Lord Ashdown did in Bosnia. The Prime Minister spoke about it, but can he actually tell us when he thinks it is going to happen?

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): February.

Mr. Cameron: February. Thank you, but why was it not in the Prime Minister's statement? The whole point is to announce things to the House of Commons! I know that the Foreign Secretary's speeches are normally

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corrected after they have gone out, but he might want to advise the Prime Minister rather more about how to get the content right in the first place.

On aid—*[Interruption.]* Calm down, dear; there are more questions to answer. On aid, can the Prime Minister—with the help of the Foreign Secretary, who is now fully engaged in this—tell us how much of the very substantial UK aid is being spent in Helmand and how much in the rest of the country? Should we not be focusing our aid efforts to a much greater extent where our soldiers are deployed and where so much is at stake?

This country is giving a tremendous amount to Afghanistan in money and in lives. Conservative Members believe that it is a worthwhile effort, but the country wants reassurance. With that in mind, can the Prime Minister give a commitment to full quarterly reports to Parliament on this issue? Ultimately, as the Prime Minister knows, our success or failure in Helmand depends on the ordinary Afghan and on whether he or she feels safer and better off since British forces arrived. Does the Prime Minister feel that we are in danger of disappointing the high hopes of security and reconstruction?

The Prime Minister: First, let me deal with where we agree. We agree on praising the bravery, courage and professionalism of the forces. On Monday, I met some of the men who had either been in Musa Qala or who were about to go there, so I know what a tremendous effort British forces have been part of—working with the Americans and with the Afghan forces themselves, while at the same time taking a leadership role with enormous skill, expertise and bravery. They have reason to celebrate a huge success this Christmas, which turns back the Taliban at the time when people are retreating to the hills for Christmas. That is a psychological blow against the Taliban as well as a military success. It means that over the next few months we can build on what we have achieved in Musa Qala so that people in that area have a stake in the future—a Taliban-free future for that province.

We also agree that work has to be done with the Afghan Government on fighting corruption and the drugs trade. We agree that there is a need for a co-ordinator, and we have been pressing for that for some years. At the same time, the changeover will take place in February, as had been announced previously by the Government to the House of Commons.

We further agree that it is important for our aid money to show results in Helmand where we are based. Of the £450 million going into aid over the next few years, a very substantial part will go to Helmand. It is also important to build up the government of Afghanistan, so we want to increase the authority of the national Government over the whole country. That is why some of our resources are going into building systems of government, including for economic development across the whole country.

Let me repeat what I said in my statement—that our aim is to isolate and eradicate the Taliban insurgency and to isolate the leadership. We are not negotiating with the leadership and we do not propose to do so. However, we want to support President Karzai in his efforts at reconciliation. If he is successful in bringing across members of the previous insurgency, who then declare that they will give up fighting, support democracy and be part of the system, that will show that the efforts to achieve reconciliation will have been important to the whole country's future.

The right hon. Gentleman rightly stressed the importance that should be attached to the Afghan leadership and the Afghan people taking more ownership. I repeat that there will be 70,000 Afghan members of the armed forces by the end of next year; 20,000 more will be trained during the course of next year—and at a very high level because they are benefiting from the expertise of the British forces. Forces on the ground tell me that the Afghan army is well trained and well equipped for the tasks that it has to carry out.

On equipment, six Merlin helicopters have been ordered and will be available later, while eight Chinook helicopters are being upgraded for the work that can be done in Afghanistan. I have also announced that new blades are being fitted to Sea King helicopters for such work. As part of burden sharing, I have approached a number of European Governments, particularly in eastern Europe, who are not involved to the same extent as we are in the Afghanistan effort, and asked them to provide helicopters to support the NATO effort. I am confident that, in addition to the helicopters that we are adding to our fleet, we will get more support from those east European countries as the process of burden sharing takes root.

The right hon. Gentleman raised several other issues. On pay, we have a new computer system and I believe that the Defence Secretary's efforts to ensure that it improves and gets the right payments to people are now bearing fruit. On the question of payment to the troops themselves, I think that it will have to be recorded that over the last year, we have tried to improve the position both through the troops' pay settlement and through the allowances given for being at the front. We in Britain have a six-month rota, while America tends to be longer, which is one of the reasons why the arrangements that the right hon. Gentleman asked about are different. There is a £2,300 payment for being on the ground in theatre for several months.

We have also improved the allowances available for council tax, which has been reduced by £140, while at the same time extending facilities available for e-mailing, computers and telephoning—providing more minutes and more facilities for contacting relatives at home. Postal services have also been made free for the armed forces, which is entirely right. I am conscious that we need to do more on accommodation for the armed forces at home, which is why a substantial amount of the spending settlement has been allocated to accommodation.

On each of those areas where questions have rightly been asked about the support that we give our armed forces, we are systematically taking action to improve what treatment is available. That is in recognition of what I suspect the whole House will want to support—the courage, professionalism and dedication of the people who give up their time to serve our country and serve democracy for the future.

Dr. Vincent Cable (Twickenham) (LD): The death of Sergeant Johnson reminds us of how much is at stake here. I welcome the Prime Minister's statement, particularly the positive feedback from the conflict at

Musa Qala, but is it not the case that all rural guerrilla armies attach little importance to holding towns, and that, conversely, the military command of NATO has acknowledged that it finds it very difficult to hold territory that it has cleared? What has fundamentally changed the dynamic of this conflict to give the Prime Minister a more optimistic view of the future?

In respect of the UK contribution, the Prime Minister made some helpful, sensible and practical suggestions about the supply of helicopters, but has not the number of functioning Apache helicopters fallen from 60 per cent. to 50 per cent. over the last year? Is not one of the lessons the fact that we need to think more fundamentally about reorientating the defence budget towards immediate defence needs rather than those of the cold war? Will he have a fresh look at the very large £6 billion Typhoon commitment, which, if cancelled, would free up resources for immediate defence needs and troop welfare?

On the number of troops employed, is the judgment about numbers based on defence needs or is it simply reflecting the reality, acknowledged by the chiefs of staff, that British forces—including the 4,700 who were tied down at Basra airport providing cover for the continuing American presence in Iraq—are massively overstretched?

The Prime Minister is absolutely right to stress the importance of development assistance and we greatly welcome that, but is it not true that the annual budget of the Afghan Government on development is about £18 billion and that a large part of it is disappearing into waste and corruption? What is being done to introduce more effective safeguards?

The Prime Minister acknowledged the role of the poppy economy in the lives of peasant farmers in Afghanistan, so what is he going to stop the indiscriminate destruction of poppy crops driving those farmers into the arms of the Taliban?

Finally, may I ask the Prime Minister about the precarious position of British public opinion? Is he aware that surveys in the past year suggest that a majority now favours withdrawal within a year and is increasingly concerned about the 86 deaths? There is a consensus among the parties in the House that we should continue to support the Afghan forces, but what is he going to do to persuade British public opinion that this activity is necessary and right?

The Prime Minister: I had hoped that there would be all-party agreement on what we are trying to achieve in Afghanistan. I am disappointed that the hon. Gentleman does not fully appreciate what I think is the central message of Afghanistan. Afghanistan is the front line against the Taliban and we must prevent the return of al-Qaeda to use the country as a base, and to do so we must strengthen the politics, society and economy of Afghanistan. I hope that that will be common ground.

Where we have had to make sacrifices and where we are in for the long term, of course we must persuade the British public continuously of the importance of what we are doing. The hon. Gentleman asks what has changed in Musa Qala. What has changed is that we now have competent Afghan forces, which are able to move in and take control of the area with the support of the Americans, the British and other NATO forces. I believe that over the next period of time we shall see an ever more competent Afghan army, given support by trainers from Britain and elsewhere. At the same time, as I reported, people who either had an indirect relationship with the Taliban or were previously fighters are coming over and deciding that their future lies within the democratic constitution of Afghanistan.

As far as the weaponry is concerned, I mentioned that Merlin, Chinook and Sea King helicopters would be moving into Afghanistan in greater numbers over the next period of time. We need fast jets as well, as the Secretary of State for Defence reminded me, but the hon. Gentleman should not pose one against the other. We are determined not only to provide the equipment that we can for our forces, but to persuade other countries to share the burden. If there is one lesson of the past year or two, it is that we can, if we work at it, persuade other countries to play a bigger role in making their contribution to Afghanistan.

The hon. Gentleman also raised the issue of heroin. It is true that half the heroin of the world comes out of Helmand province. It is also true that although we have made huge progress in other provinces, where poppy growing has ceased, we have not made the progress that we want to make in Helmand. Addressing that issue will mean a mixture of things. I hope that he would agree that it will mean eradication of the crops on the ground, rather than aerial bombing, as well as persuading people to take up different activities. This is not a short-term easy win for us, but something that we have to work at over the next period of time.

One of the ways we can do that is by strengthening what the hon. Gentleman rightly said is a weakness—the central Government of Afghanistan. Of course there has been corruption, and waste and failure, but it is important to remind ourselves that progress has been made. However, as I stressed to President Karzai when I met him, it is important that he should have Ministers in place who command confidence. It is also important that he should work with the development effort, which should be more co-ordinated, on behalf of the 38 nations involved in Afghanistan. If we can do both those things over the next year, I believe that we shall see greater progress.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): May I congratulate the Prime Minister on the comprehensive framework that he has announced to the House and on building on the military success of our servicemen and women from throughout the UK, including marines based in Plymouth, who will be deployed again next year? I understand that a handful of women have joined the Afghan police service. Will my right hon. Friend encourage the Afghani Government to do more in that respect? Will he also encourage the Westminster Foundation for Democracy, the Inter-Parliamentary Union and the Department for International Development to put some money into a programme for Afghan parliamentarians, to help them to develop the capacity to hold the Afghan Government to account?

The Prime Minister: I am grateful for what my hon. Friend has said, particularly about her constituents

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who have performed brave service in Afghanistan, through the work of the Navy and the naval reserves. I also agree with her that women have an important part to play in the future of Afghanistan. When I said that Afghanistan had a higher proportion of women MPs than most western countries, I was talking about a country where 80 per cent. of women were not given the chance to read and where primary and secondary education were denied them for years. Enormous advances are being made. I also agree with my hon. Friend that we should support the development of a police force that comprises women as well as men, and I shall look at what she said about that.

There is another point to make. The advances that can be made in local government can be made also with support from local councils and people who are involved in local government in this country. I know that strenuous efforts are being made to link up experts on local government here with those people in Afghanistan who want to create better systems of local government there. In all those areas, local communities here as well as the Government have a role to play.

Mr. James Arbuthnot (North-East Hampshire) (Con): I welcome this statement and I echo the Prime Minister and my right hon. Friend the Member for Witney (Mr. Cameron) in congratulating and thanking our quite outstanding armed forces. The Prime Minister referred to greater burden sharing by our allies. Yes indeed—but how, precisely, does he intend to achieve that? Does he expect that the statement of requirements issued by NATO itself, currently thousands short, will be fulfilled, and if so, when?

The Prime Minister: I am grateful for the right hon. Gentleman's initial remarks, in which he praised the courage and dedication of our armed forces. I am also grateful for what he said about burden sharing, which must be—this is common cause among us all—an important part of the next stage. When it comes to vital equipment, I believe that it is possible to persuade some of our allies in NATO—and, indeed, some outside—to make a contribution where they have equipment that can be put on the ground. I am thinking particularly of countries that I have talked to in eastern Europe that have helicopters, which could be of great benefit as transport helicopters in Afghanistan.

The right hon. Gentleman is right that that raises bigger questions about burden sharing within NATO and about the procedures that will be adopted in the future. I know from talking to the Secretary-General of NATO that when it meets at Easter to discuss those issues, burden sharing will be on the agenda. That might be the right time to consider both financial arrangements and equipment arrangements that move NATO forward from where it has been, to a system where there is far greater burden sharing built into the basic things that NATO does.

Mr. Frank Field (Birkenhead) (Lab): May I say to the Prime Minister that although some of the country might have views about how quickly our troops should withdraw from Afghanistan, the whole country joins him in expressing admiration for the courage that they show? If a single message should be sent from the House and from this country, it is the second message, not the first. I should like to take him back to his statement about the link between the poppy trade and the warlords. Does he accept that no long-term success in Afghanistan will be ours and its people's until that trade is broken? Might I probe him on—

Mr. Speaker: Order. There should be one supplementary.

The Prime Minister: My right hon. Friend is absolutely right. The common message coming from the House is one of support for the armed forces, particularly on the brilliance and success of the recapture of Musa Qala. He is also right—I have talked to him at some length previously about this—that there is no future for Afghanistan's economy as long as people hang on to the idea that Afghanistan can still be the centre supplying most of the world's narcotics. That is why the effort that we are making with the Afghan Government to try to eradicate narcotics on the ground, but at the same time building up systems of law and order and giving alternative livelihoods to the agricultural population, is very important. I know that my right hon. Friend has views on that and I shall be happy to meet him again to talk about it.

Mr. Roger Gale (North Thanet) (Con): At Prime Minister's Question Time and at the start of his statement, the Prime Minister absolutely correctly paid tribute to the fallen men and women of our armed services in Afghanistan. Will he turn those words into substance and honour the undertaking given by his predecessor, by allowing his Ministers to announce funding this afternoon, so that the families of those fallen can be legally represented at inquests?

The Prime Minister: This is a matter that we are looking at. I said in the House last week that the delays in inquests were unacceptable. We have put some more money in to make it possible for them to be speeded up, but we will also look at the other issues that the hon. Gentleman has raised.

Mr. Kevan Jones (North Durham) (Lab): May I welcome my right hon. Friend's statement? As someone who has visited Afghanistan three times in the past four years, I have seen progress, particularly in Kabul, but there is still a hard job to do in the south. May I caution him on the eradication of the poppy crop, which should not be done without offering alternative livelihoods, as it could drive people into the arms of the Taliban?

The Prime Minister: That is precisely why the aid budget that we are announcing will focus on agricultural livelihoods, and on increasing people's opportunities to obtain alternative work in the provinces that we are discussing. The business leaders whom we meet in Afghanistan are well aware that it needs a far more diversified economy. When we visit the local areas, it is clear that unless we provide alternative employment it will be possible to exploit local people's need for work and prosperity through the narcotics trade. It is therefore essential for the aid budget and the development work that we are doing to offer alternative livelihoods.

Bob Russell (Colchester) (LD): In the new year, 16 Air Assault Brigade from Colchester garrison will be deployed to Afghanistan. Can the Prime Minister tell us how many of the 38 countries that he mentioned have fighting personnel in the front line in Helmand province, and exactly what he means by burden sharing?

The Prime Minister: I should be happy to write to the hon. Gentleman, including all the figures.

It is true that many countries have sent in members of their forces in a non-fighting role. It is also true that some countries are prepared to offer troops, but cannot afford to pay their way when they are in Afghanistan. That is what I mean by burden sharing. Could we have a more equitable arrangement, whereby countries that have troops are able to send them in while others that are not prepared to send their troops are prepared to finance them? Could we have equipment from countries that are not prepared to send their forces, for which other countries could pay if the countries that have sent it cannot afford to do so? That is what I mean by moving forward burden sharing in future.

The hon. Gentleman's constituents who are going to Afghanistan should be assured that we will do all in our power to ensure both that they are fully equipped, and that they have the support of a stronger Afghan army.

Mr. Quentin Davies (Grantham and Stamford) (Lab): The Prime Minister's speech to our troops in Iraq the other day was deeply appreciated by military families in my constituency, and I believe that the statement he has made today will be equally and widely appreciated.

Is it not the case that if the Taliban had succeeded in their aim of retrieving power in Afghanistan and turning it once again into a logistical and training base for international terrorist operations, and if the terrorists who attacked London and Glasgow in the summer had had the benefit of a six-month course in bomb-making and detonation techniques in Afghanistan under the Taliban, the results of those attacks might have been tragically very different?

The Prime Minister: My hon. Friend is right. Afghanistan is not only the front line against the Taliban. If we were to allow al-Qaeda to base itself in Afghanistan again without fear of being invaded or taken over by British or other forces, we would store up huge problems for London, for Britain and for all the other countries where terrorism wishes to make headway.

The fact that al-Qaeda has been forced across the border of Afghanistan creates special problems for us in Pakistan. As I told President Karzai, it is important for Pakistan and Afghanistan to work together to deal with those border issues, and in future years it will be important for us to secure even greater co-operation with other countries that are involved so that we can deal with the issue of where al-Qaeda is basing its operations.

Nevertheless, my hon. Friend is absolutely right. I think that the whole country can be persuaded of the importance of this: leave Afghanistan to the Taliban and we have huge problems; allow al-Qaeda to gain a base in Afghanistan and we have huge problems. That is why we make a long-term commitment to the Afghan people.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Yesterday the American Defence Secretary expressed severe and justified public criticism of the inadequate contribution of some NATO allies. Does the Prime Minister agree that the risk we face is not only inadequate performance in Afghanistan as a consequence, but severe damage to the long-term future of NATO? Will he give serious consideration to urging his fellow Heads of Government in NATO to attend a early meeting of Heads of Government—not in a crisis atmosphere, but in a spirit of constructive and measured deliberation—with the aim of agreeing on a common strategy and a fair sharing of the burden that is possible for all member states?

The Prime Minister: The right hon. and learned Gentleman is absolutely right. He has some experience in matters involving NATO, and this is a NATO mission. It should be borne in mind that we will meet in Bucharest in April to discuss the issues that should be on the agenda and must be addressed.

While the right hon. and learned Gentleman is right to say that there has not been an equality of burden sharing—not only is Britain using its forces in Iraq, but it has a substantial role as the second presence in Afghanistan—it is also true that 38 countries are involved in the mission. The fact that so many countries are prepared to play a part represents an enormous success. The issue now is whether we can achieve the better burden sharing that will enable other countries to play a bigger part in future, particularly, I suspect, in the provision of equipment, if not of forces. Those are the issues that will have to be discussed in Bucharest at Easter.

Mike Gapes (Ilford, South) (Lab/Co-op): The Prime Minister spoke of the importance of constructive engagement on the part of Afghanistan's neighbours. When members of the Foreign Affairs Committee visited Iran last month, the Iranians told us that 3,000 of their policemen had been killed while trying to intercept the heroin being smuggled into their country, which has an estimated 2 million addicts. Last year, the Pakistani authorities expressed concern to our Committee about the fact that the Afghan side of the border was almost unpatrolled. Although Pakistan is losing tens of thousands of people in those areas, there is a big problem relating to movement backwards and forwards. What discussions has the Prime Minister had with the Afghan Government to try to increase their co-operation with their neighbours, who have legitimate concerns?

The Prime Minister: As Chairman of the Foreign Affairs Committee, my hon. Friend takes a great interest in these matters, and is an expert on the issues that he raises.

We now need law enforcement officers to mentor the counter-narcotics police so that a far better job can be done in Afghanistan itself. I impressed on President Karzai that the failure to appoint a new counter-narcotics Minister to fill the current vacancy was

[The Prime Minister]

sending the wrong signal to the rest of the world, and I hope that someone will be appointed who can control the effort effectively. The United Nations-administered Afghan counter-narcotics trust fund is also important, but some countries have yet to make the contributions that they pledged. We must work with the countries that my hon. Friend mentioned, otherwise the efforts in one country will be in vain. That is why co-operation with Pakistan in particular will be important in the future.

Sir Peter Tapsell (Louth and Horncastle) (Con): While I welcome the Prime Minister's statement, which was more realistic than any statement about Afghanistan during the Blair years, will he keep it very much in mind that the basic stumbling block to all the admirable aims that he has announced is the fact that the one thing that unites all Afghans is their hatred of foreign troops in their country?

The Prime Minister: It is precisely because Afghans should be enabled to take more control over their own affairs that we are training the Afghan forces. We are talking about an army of 70,000 by next year, and a larger number of police. The biggest difficulties have involved preventing both corruption and inefficiency among the police. I think that, over time, the Afghan Government will recognise that point by building up their own security forces—particularly their army and police—and by working with the countries that are enabling them to do so, they can provide the best possible guarantee for the future of Afghanistan.

Mr. Dai Havard (Merthyr Tydfil and Rhymney) (Lab): When I visited Helmand last July, I saw British troops giving out leaflets saying that we did not do eradication. I welcome what the Prime Minister said about putting together a plan involving stronger governance and targeting traffickers, but may I caution him that, as my hon. Friend the Member for North Durham (Mr. Jones) said earlier, it is not the individual producer but the big guns that we need to target? May we see the top 20 and their lands, chattels and supporters being attacked, as opposed to the ordinary Afghan farmer?

The Prime Minister: That is one of the reasons for the need to build up the infrastructure of police, courts, justice—through judges—and law and order. Only by building up that infrastructure can we deal with the very people to whom my hon. Friend refers. However, I would not underestimate the importance of giving people alternative livelihoods so that they can break free from the control of drugs barons in the area. It is a combination of both approaches that will make the difference.

Angus Robertson (Moray) (SNP): I thank the Prime Minister for providing a copy of his statement in advance. On behalf of the Scottish National party and Plaid Cymru, I echo the sentiments of others about our service personnel, and especially their families, in the run-up to Christmas.

Here in the House we have often heard reassurances and promises about combating the drugs trade, but the United Nations has confirmed this year that heroin production has risen to a record level. Apparently, it represents 92 per cent. of opium production in the world. Can the Prime Minister give us a firm assurance about his target for the reduction of narcotics? How much does it involve, and by when?

The Prime Minister: We have moved from a situation in which we had very few poppy-free, or heroin-free, provinces to a situation in which we have quite a number. Our aim must be to increase that number, but the issue in Helmand is a very big one, because it is responsible for half the production. That is where we must make progress.

I am not setting a target. What I will say is that while the combination of the measures that we outlined is necessary, what is also necessary is a central Government who are prepared to take the action. That is why I am impressing on President Karzai the importance of his taking a lead.

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): I welcome the Prime Minister's statement, particularly the promise of more funding for building the capacity of the directorate of local governance. In other emerging democracies, it has been shown that where there are more women in local government, funding is more likely to be directed towards areas such as health and education. Given the low status of women in Afghanistan, particularly outside the main cities such as Kabul, will the Prime Minister do all he can to prioritise the funding towards confidence building and skills for women so that they have the confidence to put their names forward for election in local government?

The Prime Minister: In Helmand province there are already women who are playing their part in local government, but obviously the numbers and the ability to participate need to be strengthened. That is why the Secretary of State for Communities and Local Government will be working with people in Afghanistan to enable us to give whatever expertise we can to help build some of the systems of local government for the future. I also announced our support for local community volunteers, so that they can take more control of policing of areas. So there will be a combination of measures, but my hon. Friend is right that women being more represented and at a higher level in all the different areas of Afghanistan will make a difference to the improvement of health and education, which is crucial for the welfare of the people.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Can the Prime Minister confirm that the biggest single source of income, accounting for up to half of GDP in Afghanistan, is the opium trade, and is not therefore the central dilemma we face how to win the hearts and minds of people while promising to eradicate half their income without offering any concrete alternatives other than the following two words in the statement—"legitimate agriculture"? Does not the failure to face up realistically to this dilemma leave a black hole in the Prime Minister's strategy?

The Prime Minister: The right hon. Gentleman is right on his first point: an economy that is wholly dependent on the crop he mentions is an economy that will not work well in the future. However, he is wrong on his second point: I did, of course, mention alternatives in agriculture, but I also mentioned building the social and economic infrastructure of all the areas through the aid and development programme that we are practising. We find that there is in Afghanistan a desire for roads and infrastructure, and then for the building of schools and hospitals, of course, but also for the creation of small businesses. Many people are operating in Afghanistan—some people have come from Britain to do so—to create microcredit finance for small businesses.

I agree that it is necessary to have alternatives to agriculture, but I disagree with the right hon. Gentleman's other point, as we are trying our best to do more to provide those alternatives; we are going beyond simply the offer that there is an alternative to agriculture by also making that possible through the initiatives that we have in place. I may also say that in Musa Qala we will move in very quickly with the offer of jobs, which is important, and the offer of new facilities, which will enable the local economy to start to flourish again.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): On the question of encouraging a positive approach from Iran, my right hon. Friend will be aware that in February 2001 the late Member for Redcar, who then had the remit for drugs, visited Iran to come to an agreement on working together to disrupt the drugs trafficking trade. Does my right hon. Friend believe that that agreement could form the basis of encouraging a revival—perhaps we should put it that way—of a more positive approach from Iran?

The Prime Minister: The Iranians themselves have an interest in tackling this problem. I will look at what my hon. Friend says about the agreement that is still standing with Iran, but I think that it is also important to recognise that action within Afghanistan is urgently needed.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): Early in the new year, the 1st Battalion the Royal Irish Regiment, supplemented by Territorial soldiers from the 2nd Battalion, will leave for a tour of duty in Afghanistan. The Prime Minister has heard from the Leader of the Opposition about problems with pay. Many of those Territorial Army soldiers transferred from the now-disbanded home service battalions, yet several months after their transfer they are not receiving the proper pay. Will the Prime Minister assure me that before those soldiers leave their families to serve this country with pride in Afghanistan, they will be paid properly?

The Prime Minister: When I was in Afghanistan, I met soldiers from Northern Ireland, and their contribution is both appreciated and immense. I will take on board what the right hon. Gentleman says about the operation of the computer system in delivering the proper amounts of pay. The Secretary of State for Defence says that that is moving forward, and he will write to the right hon. Gentleman in the next few days.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I thank the Prime Minister for his statement and the priority he is giving to Afghanistan issues. Does he agree that if the Afghans are to buy into the new state we must not only maintain security, but make progress in terms of economic development? Will he therefore press the United Nations to encourage the international community not only to be better co-ordinated, but to do more on security and economic development?

The Prime Minister: I want to praise the work of my hon. Friend in linking up with women in Afghanistan to encourage the emerging process of democracy in the country. She is right that we need the UN co-ordinator appointed for February, and we need that role to be better than the current one in co-ordinating the development efforts of all the different countries involved in Afghanistan and in building a strong relationship that is supportive to the Afghan Government. We also of course need the international effort she talks about to be expanded. We will, as a result of this statement, make all our efforts to do that.

Malcolm Bruce (Gordon) (LD): I welcome the Prime Minister's statement. When members of the International Development Committee were in Afghanistan at the end of October we visited not only Kabul but the rural area around it, and Helmand in the south and Balkh in the north. There was a recognition that there was a real commitment and a long-term strategy, which people in Afghanistan appreciate—and people in this country need to understand that. In particular, I welcome the Prime Minister's commitment to additional development and reconstruction funding of £450 million, and I urge the Secretary of State for International Development to make a statement in the House at an appropriate time as to how it will be deployed, and to resist the call from the Leader of the Opposition to concentrate all those resources in Helmand as we must instead understand that we have to build up the capacity of the Afghan Government across the whole country.

The Prime Minister: Building up the capacity of the Afghan Government is in many ways the theme of the statement; we need Afghan ownership so that in security, economics and, of course, governance, Afghans can take the lead that is expected of countries when they are running their own affairs. As far as the budget is concerned, the right hon. Gentleman will, as a member of the International Development Committee, want to question in detail the Secretary of State for International Development on where the money will go. I can tell the right hon. Gentleman, however, that £350 million comes from the DFID aid budget, and the extra money is from the stabilisation fund that we created involving the Foreign Office, the Ministry of Defence and DFID. That money is spent on stabilising economies in difficulty and fractured societies. It will go as a priority to Afghanistan, because as he knows, that is where the need is now greatest. The £450 million that we talk about will be provided from a combination of development money and money from the stabilisation unit.

Angela Browning (Tiverton and Honiton) (Con): Last month, Members attended a briefing of senior Army officers led by General Sir Richard Dannatt, at which the Secretary of State for Defence was present.

[Angela Browning]

One of the problems they identified was the lack of equipment for training purposes immediately before deployment. Clearly, there is a danger when servicemen suddenly find themselves using new equipment in theatre. What are the Government doing to address that problem that the Army has identified, and can they give us any idea of the time scale in which it will be dealt with?

The Prime Minister: I have also talked to General Dannatt about these issues. We have funded new equipment on the ground in Afghanistan and Iraq through what are called the UOR—the urgent operational requirements—so it is possible by the expenditure of large sums of money to get the most modern and up-to-date equipment quickly into the theatre or field. That is what we have been trying to do. I think I am right in saying that UORs have accounted for more than £2 billion in recent years, and we have set aside additional money over the next few years. If we are putting such equipment straight into theatre, that raises questions about the resources that we have available for equipment for training. We are now giving attention to that. The hon. Lady is right to raise this point, but it is a function of the success of getting the best equipment into theatre as quickly as possible.

Patrick Mercer (Newark) (Con): The Prime Minister will be aware that 18 months ago we warned the Government that one combat unit being sent to Afghanistan was wholly inadequate. Now there are five major units in theatre and the pips are squeaking on Army manning. Will the Prime Minister please dedicate himself to restoring the Army to full manning and reversing the disastrous decision to disband three battalions?

The Prime Minister: The hon. Gentleman is right that the Army wishes to, and should be able to, increase its establishment. In terms of the armed forces as a whole, when we came to power they were, I think, 95 per cent. established—in other words, 95 per cent. of the necessary level of troops were provided. I think that figure is now 97 per cent. He is therefore right that we wish to recruit and retain more troops for the armed forces—that is what we intend to do and that is what we budget for. He makes the important point that this is about recruitment and then about retention. We shall do whatever we can, in consultation with the armed forces, to move that forward.

Mr. Speaker: Order. I must move on, but I shall remember those whom I have not called for another time.

Opposition Day

[4TH ALLOTTED DAY]

Military Covenant

Mr. Speaker: I have to inform the House that I have selected the amendment tabled in the name of the Prime Minister.

1.30 pm

Nick Harvey (North Devon) (LD): I beg to move,

That this House notes the commitment, bravery and professionalism of the UK's armed forces in operations around the world; further notes with concern the detrimental impact that sustained operations on two fronts are having on the armed forces and their capabilities, resulting in critical overstretch; believes that the Government should conduct a new strategic defence review and reinforce it with regular reviews of defence after each general election; urges the Government to do more to honour its duty of care, notably through accelerating the improvement and upgrading of service accommodation, providing greater provisions for mental health and medical care for service personnel, ring-fencing the defence budget for welfare and introducing a Coroners Bill to help address delays in inquests into military fatalities; and calls on the Government to renew the Military Covenant and set up a cross-party Military Covenant Committee to monitor the state of the armed forces and their welfare.

I very much welcome the opportunity to have this debate on the military covenant, and it is apt that it should directly follow the Prime Minister's statement on action in Afghanistan. I start by paying tribute to all our service personnel. It was clear from the statement that Members on both sides of this House are united in recognising the professionalism, courage and bravery of the world-class fighting force that constitutes the British armed forces. We pay tribute to them and to the veterans who have served before them.

This has been an eventful week with the recapture of Musa Qala and the handover of Basra province to the Iraqi authorities, which took place, at last, a few days ago. We should acknowledge the success of the British troops, working alongside our allies, in both those theatres and we should recognise the honour and the duty that we owe them in the light of all that. The military covenant, and the commitment that it implies, extends not only to the troops but to their families. As Christmas approaches, we should remember that many families will be apart, and that people will be anxious and lonely on account of that. We should think of the families as well as the troops.

That is what the military covenant is all about—the implicit two-way trust and bond between the armed services and the nation. Members of the armed forces put their lives on the line and risk everything for the nation, and in return the nation has a duty to look after them, ensure that they are in a position to do the job that is asked of them and give them the assurance that when they are risking everything in operational theatre their families are being looked after adequately back at home. In that sense, it is clear that more remains to be done.

Angus Robertson (Moray) (SNP): Is the hon. Gentleman aware of the interviews that were conducted by the Ministry of Defence at the Argyll and Sutherland

Highlanders' barracks in Canterbury during the summer? The feedback contained a litany of criticism, including complaints about partners being deployed for too long and people's pay being regularly messed up, and about a cut in the financial assistance for people travelling back to Scotland from their barracks in Kent. Are those not the kind of shortcomings that need to be sorted out?

Nick Harvey: I am sure that such shortcomings do need to be sorted out. The first of those—the too frequent deployment of the armed forces—is certainly worthy of our attention. It is well documented that our armed forces are very stretched. We have not, as yet, prised the word "overstretch" from the lips of any Minister, but senior officers and some of the defence chiefs are less reticent about acknowledging that we are asking an awful lot of the troops, and that that constitutes overstretch. For several years the defence planning assumptions have been exceeded and the harmony guidelines, which determine or indicate how frequently the armed forces should be out on active duty—six months in every three years—have been habitually broken. The hon. Gentleman refers to exactly that point when he tells us about the feedback from families. This is a serious issue and the situation cannot go on as it is. If it does, in the words of General Sir Richard Dannatt, there is a distinct danger that we could "break" the Army.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Does the hon. Gentleman accept that things are not as bad as some people would have us believe? A recent independent survey carried out for the Ministry of Defence said that 92 per cent. of Army officers and 79 per cent. of other ranks felt proud to be in the Army.

Hon. Members: Of course they are proud.

Nick Harvey: The hon. Gentleman has heard the reaction of the House. Someone's pride in being a member of the armed forces and their satisfaction with their lot across a wide front are two very different things. I am picking up on the latter point, which is the subject of this debate.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Does my hon. Friend agree that what most damages our forces, especially when they are on deployment, is the thought that their pay and allowances are not being put into their family's accounts to meet their requirements—as happened to a constituent of mine—and the failure of the joint personnel administration scheme?

Nick Harvey: There has been a series of difficulties with the transfer to the joint personnel administration. Possibly my hon. Friend goes too far by badging the whole thing as a failure, but teething problems have arisen as it has been rolled out across the armed forces. Mess-ups in the pay arrangements are hard to bear on top of everything else, but I pay tribute to those who have done their utmost to put those right as quickly as they can. As time goes on, the purpose of the JPA will be fulfilled, and it will result in an improvement across the piece in the long run.

Part of the problem is that engagements in Iraq and Afghanistan have proved to be longer and more hostile than originally anticipated. The Prime Minister reiterated today that we are in Afghanistan for the long haul. There is a consensus across this House that that is the right approach and that, for the reasons articulated today, this is something that we must do. It will remain a serious burden on, and challenge for, our armed forces for many years to come. We must try to ensure that that long-term commitment does not mean that deployments abroad are longer and more frequent than they should be. That is one of the key senses in which the military covenant is being broken, and there is quite a lot of agreement in this House about that. Even the Government have acknowledged that there is some way to go and that more will need to be done. This autumn, the Royal British Legion launched its campaign to honour the covenant, and that has played a useful part in raising public awareness of these problems and concentrating the minds of the political community.

Malcolm Bruce (Gordon) (LD): On that campaign, does my hon. Friend agree that probably every Member of this House regularly receives representations from constituents who have served in the armed forces and suffered as a consequence? In some cases, people have suffered loss of hearing from long exposure to blasts. Yet such people are often denied pensions or compensation—indeed, the MOD spends considerable sums denying any kind of connected responsibility. Does he agree that that matter ought to be part of the covenant and that it should be recognised that if one has a disability as a result of serving in the armed forces, one should get proper compensation?

Nick Harvey: In principle, that is supposed to happen. The whole point of the military pension is that, in principle, it recognises and acknowledges exactly those points and makes some ongoing remuneration to cover them. I come across those who are dissatisfied with the military pension award that they have received, as I am sure other hon. Members do. There sometimes seems to be a difference in attitude between how the British face up to things such as Gulf war syndrome and the approach taken by the Americans and other of our allies. They tend to be far more ready to acknowledge things and to step in to offer remedy.

Mr. Kevan Jones (North Durham) (Lab): Was it not the Labour Government who brought in the armed forces compensation scheme in the last Parliament, which for the first time introduced lump sum payments for those injured in battle? That was not opposed by the Liberal Democrats or by the British Legion, or even commented on at the time.

Nick Harvey: I am sure that nobody opposed that, as it was a worthwhile scheme. However, the hon. Gentleman and others will be aware of considerable dissatisfaction with the way it has worked in practice, in that those with compound injuries were compensated only for the most serious of them. The Government have announced some modifications to the scheme recently, and it remains to be seen how it will work in the future. It is a worthwhile scheme, but as yet it is not functioning satisfactorily.

Mr. Mike Hancock (Portsmouth, South) (LD): Everyone welcomed that legislation, but the trouble was that it did not cover everybody. It contained exceptions that are causing great personal tragedies and loss, for individuals and families.

Nick Harvey: My hon. Friend is right; and further improvement is clearly needed. The Government have said that they will introduce a new Command Paper to address the welfare of the armed forces. That is welcome, although I do not know when it will be published. We look forward to seeing their proposals and we welcome the fact that it must be implicit in their intention to introduce such a paper that they are acknowledging that a wide range of problems needs to be put right. I hope that there will not be too much delay before we can see that Command Paper and start debating it.

Mr. Don Touhig (Islwyn) (Lab/Co-op): I welcome the debate launched by the Royal British Legion on this issue. I do not believe that the covenant has been broken, but we do have to do much more to improve it and to remain focused on it. The hon. Gentleman has mentioned several issues, including families and so on. I had the privilege of serving as the veterans Minister. Does the hon. Gentleman agree that we could better address some of the issues if we had a separate veterans' department within the Ministry of Defence to work with organisations such as the Royal British Legion to focus the whole time on issues affecting veterans and ex-servicemen and women?

Nick Harvey: That would certainly be a welcome further development. We welcomed the creation of the Veterans Agency, but taking that distinction into the heart of Government would further improve the work of attending to the particular needs of veterans.

The Government are doing what they can to try to improve the lot of those on the front line. For example, they recently improved the parcels regime, so that more parcels get through to the troops on the front line. I recently heard from some serving troops in Iraq, who said that they were very grateful for the extra parcels from home, but there were some slight complaints that the Prime Minister's visit over the weekend meant that they were not able to use phones or the internet on Sunday night. That brings me to the thorny subject of the use of the internet and telephones.

The troops were promised free wi-fi by the end of this year, but that now seems to have been pushed back to April or May next year—*[Interruption.]* Well, that is what I have heard in the past day or two. At the moment, the troops have to pay £2.50 an hour in two-hour chunks for internet access. They get 30 minutes' free phone time a week, for which they are no doubt very grateful, but beyond that they have to pay £10 per 90 minutes. There is a concern that some front-line troops may end up in debt by having to pay for things that might well be regarded as basic welfare provision.

Patrick Mercer (Newark) (Con): Is not the issue clear? Our servicemen and women are placing their lives on the line. Those sorts of things should be free to all those who are in the teeth of the enemy.

Nick Harvey: I entirely agree with the hon. Gentleman, and that is precisely my point. I welcome the advances that have been made, but it would be in the spirit of the obligation for those things to be entirely free.

As we look forward to the next few years, to the financial commitments that we are promised and to the procurement budget, which appears to be in a state of flux, it is clear that we need another strategic defence review. I have made that point before, and received support for it from others. The last SDR was the best part of a decade ago, and the world today is very different in terms of the stresses and strains and the demands placed on our armed forces. Another SDR is long overdue, and if we are to better fulfil the military covenant and consider where our future priorities lie, it is an absolute necessity. We should get on with a new SDR now and we should also make a commitment to doing so regularly. The Americans have one every four years, and we should do so at least once a Parliament. I hope that the Government will give some thought to that.

In the past 12 months—and especially in the last few days—we have seen a great deal of coverage of service housing. In December last year, the former Chief of the General Staff, General Sir Mike Jackson, described forces accommodation as "frankly shaming", and there has certainly been an unfortunate catalogue of errors. Lieutenant-General Sir Freddie Viggers, the Adjutant-General, recently conceded that the Army has to fight for receipts from asset sales to be reinvested in the housing programme, but our armed forces should not have to lobby the Government for quality accommodation for themselves and their families. The Government should be on the front foot and provide it anyway.

Bob Russell (Colchester) (LD): Does my hon. Friend accept that before 1996, when the Ministry of Defence sold off any surplus housing or land, all the proceeds went into upgrading housing stock, but that following the privatisation by the Conservative Government, Annington Homes now reaps the benefit of those sales?

Nick Harvey: It certainly reaps most of the benefit, but the Annington deal was in 1996 and the present Government came to power in 1997. It is easy to blame the whole problem on the Annington deal, and it certainly was a rotten deal for the taxpayer, but since 1997 the Treasury has had huge capital receipts from the disposal of military assets and estates. If even a modest proportion of those receipts had been reinvested in the housing stock, it would not be in the sorry state it is today.

Mr. Kevan Jones: Does the hon. Gentleman not realise that one of the problems with the Annington Homes deal was that it tied the Ministry of Defence into a very bad deal that was entered into by the previous Conservative Government? If he is really concerned about it, has he thought about taking the matter up with his friend in the other place, Lord Owen, who is a consultant to Terra Firma, a company that has an interest in Annington Homes?

Nick Harvey: I am intrigued by the hon. Gentleman's description of Lord Owen as a friend, because I do not think that he is any friend of ours. However, I look forward to hearing what he has to say on this matter.

The accommodation is in a bad way. Almost half the single living accommodation remains of the lowest standard—graded fourth out of 4—and only 18 per cent. is of the highest standard. The MOD itself estimates that even if current investment continues, 30 per cent. of the accommodation will remain at grades 3 or 4 after 2013. The Government do not have a sufficient sense of urgency. They are beginning to acknowledge the problem and are introducing programmes to try to address it, and I commend them for that. However, I do not think that adequate progress will be made or that the improvements that everybody wants and expects will be brought about on anything like a realistic or reasonable time scale.

Mr. David Hamilton (Midlothian) (Lab): May I point out that that is not the case across the UK? In Midlothian, £60 million has been invested in the past few years and we have satellite television and state-of-the-art houses for the Highland Regiment. The Government propose to amend the legislation to give service personnel equal footing on the housing list when they leave the forces. There could be cross-party agreement—I encourage those on the Front Benches to do more on this—on the idea that ex-servicemen returning from duties should be given not just an equal footing but priority by all local authorities.

Nick Harvey: I would imagine that we all agree that that is desirable. If it were not for the desperate housing shortage, I imagine that something more akin to that would happen.

Let me stick with the subject of housing. In its 2007 report, the Armed Forces Pay Review Body noted on the subject of the improvement programme for single living:

> "The initial SLAM programme launched in 2001 was scheduled to deliver 26,000 bedspaces at a cost of £750 million. Latest estimates show allocated funding of just £463 million to deliver 12,000 bedspaces."

We have been falling behind on even the targets and programmes that the Ministry has established. Since 1997, the MOD has brought £2.2 billion into the Treasury through asset sales. In the year that the modernisation plan began, twice as much money went into the Treasury coffers from asset sales as went into improving soldiers' accommodation.

Mr. Touhig *rose*—

Nick Harvey: I shall give way to the right hon. Gentleman one last time, once I have made the point that it seems to me the Government have not even used the resources at their disposal in the way the House would want.

Mr. Touhig: The hon. Gentleman makes a very important point. I agree with a lot of what he says about the inadequacy of single living accommodation and family accommodation. However, the MOD has put a lot of effort and finance into improving it. It may surprise the hon. Gentleman to know that when I was a Minister in the MOD responsible for those matters the former service chiefs and others whom we now pray in aid certainly never supported me when I said we should use the sale of assets to invest in accommodation for our servicemen. They may say that on television and radio now, but they never did a damn thing when they were in a position to do something about it.

Nick Harvey: I take the right hon. Gentleman's point. It is well made, and will be heard by some who serve in the armed forces. The Adjutant-General, Sir Freddie Viggers, has been willing to put his head above the parapet while he has been in post and say that too much accommodation is of a poor standard, too old or not modern enough in how it is fitted for families. We have a long way to go to bring about the improvement that we would want in the 41,000 units left in the estate.

It is worrying that an average of 20 per cent. of married quarters—this was covered on the radio this morning—are empty at any given time. It costs the Ministry money to pay the lease for properties that are not filled. I accept that when large numbers of people are moved around, as happens with the armed forces, a percentage of the properties will always be empty. That would probably be a higher percentage than would be experienced by a commercial landlord. Nevertheless, it seems an awful lot when we consider that the MOD is paying to rent family accommodation in the private sector at the same time.

The Ministry has told us that it would cost £750 million to bring all the family accommodation up to grade 1. It has also acknowledged that a minimum of £50 million will need to be spent each year to make the necessary improvements. The figures for 2006-07 show that the MOD did not spend anything like the £50 million that has been acknowledged to be necessary. The process, if it continues at the speed at which the work is being done and the money is being spent, rather than the speed that is being talked about, will take almost 50 years unless the MOD can improve radically on its performance in 2006-07. There is a long way to go.

The contract to deal with repairs and complaints was given to the contractor, MODern Housing Solutions—MHS. In the year from March 2006 to March 2007, MHS received almost 9,000 complaints. The call centre received some 200,000 repair call-out calls in that year and dropped almost 9 per cent. while people were hanging on at the other end. It is no wonder that the families of our armed forces are getting somewhat exasperated wondering when essential repairs will be conducted, particularly when they involve ageing boilers in need of repair in the depths of winter. The situation was summed up well by General Sir Michael Rose when he said recently that

> "the system for the repair and maintenance of quarters has been repeatedly altered—something that has resulted in a much worse service for the soldiers… sub-contracting to commercial companies who have little understanding of the predicament of soldiers or their families has resulted in a bureaucratic nightmare which serves neither the soldiers nor the taxpayer."

It is perfectly clear that there is a long way to go.

My other major point concerns medical care. I recognise and acknowledge the vital role of the military ward at Selly Oak hospital and the extraordinary quality of the medical expertise available there. It is clear that that is now a world-class service and, combined with some good medical care in the operational theatres, it means that people are now surviving who previously would not have done so. That said, they are often seriously incapacitated following the initial acute interventions.

It is the quality of the care afterwards that is so often criticised and that many believe to be lacking. *[Interruption.]* It is criticised by families and, occasionally,

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by the victims themselves. I have spoken to some of them individually. They are very appreciative of the high quality of medical care available at Selly Oak. It is clear that their aftercare, when they can be pushed back into different parts of the UK, does not match the high standard that they have experienced at Selly Oak. I am surprised that Ministers are pulling a slight face at that, because many people have commented on it and would recognise it as being the case.

Mr. Hancock: Some hon. Members are being critical of what my hon. Friend has to say, but they might be interested in the comments made by the former commander of the Parachute Regiment in Afghanistan. In a letter to the MOD, he said that his resignation was in part due to the shoddy treatment that injured soldiers under his command had received when returning to the UK. In a letter to defence chiefs, he was reported to have criticised the level of pay, the lack of training and equipment, the appalling housing and, most of all, the treatment of injured soldiers. Labour Members ought to be cautious about what they say when they ask for proof, given that a lieutenant-colonel has resigned from the Army because of the treatment of his troops.

Nick Harvey: My hon. Friend makes a good point. It is clear that those criticisms have been made, and on a wide front.

In July, the Secretary of State for Defence said in response to the hon. Member for South Ribble (Mr. Borrow):

> "My hon. Friend is right in identifying the challenge that we would face if we had to bring in all those in the services receiving in-patient treatment, as they would barely fill two hospital wards on any typical day. In those circumstances, it is impossible to imagine how the re-establishment of a military hospital, for example, could provide the excellence of clinical care that those people would receive in NHS hospitals."—[*Official Report*, 16 July 2007; Vol. 463, c. 5-6.]

I take his point.

Mr. Kevan Jones: Will the hon. Gentleman give way?

Nick Harvey: I have given way to the hon. Gentleman twice already. We look forward to hearing what he has to say later.

We take the Secretary of State's point about medical care, but I want to draw a comparison with the US, where there are some 180 military hospitals. If we were to translate that pro rata to the size of our armed forces, the UK would have around 33 military hospitals. I am not aware that anyone in this House, from any part of the political spectrum, has suggested that we should bring back a widespread network of military hospitals. I am not sure that I have heard any recent argument that we should go as far as having even one, but the Government have stated that they intend to explore whether there should be a larger network of military-only wards around the country. However, I would not expect each such ward to achieve anything like the degree of specialist expertise available at Selly Oak.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Will the hon. Gentleman give way?

Nick Harvey: In a moment.

The Government have stated that they will consider such a network, so they should tell us what progress has been made. The quality of aftercare, beyond the initial intervention, would be improved if there were military wards in more parts of the country, and especially where there are large numbers of military personnel in the geographical locality. The Government should either go ahead and introduce such a system, or put us out of our misery and acknowledge that they are not going to do so.

Linda Gilroy: I thank the hon. Gentleman for giving way? Has he visited the Stonehouse ward at the Ministry of Defence hospital unit at Derriford, the nearest military-managed ward to his constituency? Two thirds of the nurses there are from a military background, and the unit has a definite military ethos.

Nick Harvey: I am very familiar with that ward, and I greatly welcome what it does, but I want to know whether the Government intend to follow up on what they have hinted at in the past and establish a network of such wards. Indeed, I think that the Conservative amendment says as much.

Dr. Andrew Murrison (Westbury) (Con): What?

Nick Harvey: Am I mistaken? Perhaps the Conservative amendment does not refer to such a network, but I want to know what progress the Government intend to make in that regard.

Dr. Murrison: I fear that the hon. Gentleman might be getting a little confused. I am certainly concerned that he seems to think we should have a military hospital for 13,000 servicemen. He should understand that, in America, a clinic with a few beds counts as a military hospital. We have many of those already in this country.

Nick Harvey: I am not sure whether the hon. Gentleman was deliberately misquoting me, but I was explaining that I did not think that anyone had asserted that we should have a network of military hospitals. I am making the case that we should have a network of military wards.

Before I leave the issue of health, I want to make a few remarks about mental health. Following the operations in Iraq and Afghanistan, that is certainly one of the most significant long-term problems that the Government and society as a whole must address. The Government have begun various good initiatives to meet the challenge posed by mental health for both serving personnel and veterans, but I believe that we might face a significant influx of mental health patients in the years to come. Veterans are especially vulnerable, because they get less support from and have less involvement with the MOD when they leave the service and are at the mercy of civilian health care services.

We know that mental health is something of a poor relation in the NHS. Additional NHS plans to develop community mental health services for veterans would improve the situation, and practitioners with some specialism in post-traumatic stress disorders need to be on the look out for, and ready to help, those who have served in the armed forces. At present, they are not being picked up well or readily enough by primary care trusts and health centres.

We are of course aware of the good work being done for those still in service. The Government have their contract with the Priory, and Combat Stress is also doing a lot of work in the field. I welcome the recent improvement in that organisation's budget, but there is still a long way to go and there is a real risk that there will be a huge surge in demand for the services in the future.

In conclusion, I believe that the military covenant would benefit from being written down in detail. It should be codified so that it is widely understood.

Mr. Kevan Jones: It is written down already.

Nick Harvey: That is true, in a manner of speaking, but I am talking about a properly fleshed out and detailed document against which progress can be monitored every year. An independent committee should conduct that monitoring and report back to the House so that the matter can be debated each year. There should be publicly accountable benchmarking of progress on key areas in the military covenant, because the bond between nation and military needs to be rebuilt and safeguarded. The confidence of the armed forces in the covenant needs to be re-established, and that means that there should be real entitlements and obligations.

Finally, we should show that the commitment of the political community to the covenant is genuine. In recognising the work of our armed forces, everyone in this House needs to demonstrate that we are absolutely committed to honouring the military covenant.

2.5 pm

The Minister for the Armed Forces (Mr. Bob Ainsworth): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"recognises the commitment, bravery and professionalism of the armed forces in all their operations; further recognises the enormous contribution made by service families to the effectiveness of the UK's armed forces and the debt owed by the nation to veterans; welcomes the major programme of improvements made by the Government to support all of these groups since 1997, including in the areas of medical support and improvement and replacement of sub-standard service accommodation; further welcomes the role played by ex-service organisations and other charities in contributing to the support of these groups and the Government's commitment to working closely with such bodies to improve support in the future; and commends the Government's decision to produce a cross-cutting Command Paper setting out the progress already achieved in this area and what more will be done in the future."

There is considerable and quite proper interest in the House and among the public about how we meet our obligations to our armed forces and veterans, and to their families. In the run-up to Christmas, we have many people stationed abroad, many of them young and in dangerous circumstances. It is therefore appropriate that we express in full the feelings that we have for our troops and wish them the very best as they carry out the very arduous tasks that they undertake on our behalf.

As the Chief of the General Staff has said, we need to ensure that we get the military covenant into balance, but we must bring the debate about these matters into balance as well. I welcome this debate, as it is important that all the people of Britain become more aware of the efforts and sacrifices being made by our armed forces on their behalf. In addition, we all need to think about our security over the years ahead and therefore about what level of spending we should commit to defence. Within that spending, we need to decide what our priorities should be, both in terms of operational capability and on the human welfare side of the equation.

Wild exaggerations of some of the issues on either side of the argument contribute nothing of value, so let us look at the factual situation. On one side of the equation, we are asking a lot of our people: harmony guidelines are not being met in every circumstance, and one meets people who have been sent to operational theatres more often than is ideal. Yesterday, I went to the Millennium stadium to watch the medal parade and service of remembrance for 2nd Battalion the Royal Welsh. That battalion has deployed to Iraq three times, but that is not true across the whole of our armed forces.

On the other side of the equation, we have already achieved a great deal. This year, the armed forces received a pay increase worth 9.2 per cent. for the most junior ranks and an average of 3.3 per cent. across all ranks. We have also introduced a tax-free operational allowance, now worth £2,320 for a six-month tour, and announced a council tax rebate.

Despite the ritual accusations about our soldiers being poorly equipped, we have delivered significant investment in equipment for the front line. Some £2.6 billion of urgent operational requirements have been approved to meet needs for current operations, with £100 million being approved for each month this year. We have already announced six new Merlin battlefield support helicopters, the first of which arrived in July, and a sixth C-17 transport plane to move troops and equipment into theatre quickly. Moreover, the Prime Minister announced to the House earlier today an investment of more than £150 million in 150 new protected vehicles. The vehicles will be called Ridgbacks, and they will support operations in Afghanistan. That investment, alongside previous orders for the Mastiff and the Vector, brings the total number of new protected vehicles that we are delivering to support operations to more than 600.

Jim Sheridan: Does my hon. Friend agree that the new equipment was delivered not by the tooth fairy but by good, honest manufacturing workers? The vehicles and equipment were manufactured in this country and provided thousands of quality jobs.

Mr. Ainsworth: I thank my hon. Friend for making that point. As Member for Coventry, North-East, as well as Minister for the Armed Forces, I am enormously proud that the up-armouring of Mastiff is being performed in my constituency. It is one of the vehicles in which those on operation have the most confidence, especially when they are deploying on dangerous routes where there is a mine threat.

As my hon. Friend points out, the equipment is not delivered by the tooth fairy. When the hon. Member for North Devon (Nick Harvey) and Members of Her Majesty's Opposition say that we must do more across the piece in every area, we need to reflect on the context. In this case, the Liberal Democrats are clearer

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than the Conservatives, which does not often happen: there would be no more money for defence from the Liberal Democrats. That is what the acting leader of the Liberal Democrats said on television at the weekend, so in effect the hon. Member for North Devon is saying that all the initiatives he talks about and all the additional spending he asks for will have to come from cuts elsewhere in the defence budget.

The Liberal Democrats have questioned the joint strike fighter and Typhoon, and of course we could solve some of the RAF's problems by entirely denying it fast jets, as the Liberal Democrats seem prepared to contemplate. However, they cannot advocate additional spending here, there and everywhere without acknowledging that there will be costs, as my hon. Friend has just pointed out so well. If they are not prepared to spend any more money—as they have clearly said—the price will be cuts elsewhere in the defence budget. If more money is to be spent on welfare, it will probably have to come from capability.

The Conservatives' policies are not quite as clear, although as the hon. Member for Westbury (Dr. Murrison) seems to want to intervene, he may be able to clarify their position, but they do not answer the question; the silence is deafening. The Conservatives are reluctant to say what their policy is. Are we or are we not spending enough on defence? What is the policy of Her Majesty's Opposition? If they believe we are not spending enough, they should say so. Let us have an honest debate, not the constant pretence that gains can be made with nothing to pay. The Conservatives need to be as honest as the Liberal Democrats, and say whether they believe the defence budget is adequate. If they do not, they should say how much more it ought to be. I shall sit down so that the hon. Member for Westbury can tell us whether they would spend more on defence.

Dr. Julian Lewis (New Forest, East) (Con) *rose*—

Mr. Ainsworth: The hon. Member for Westbury has been reinforced.

Dr. Lewis: For the umpteenth time, I shall tell the Government exactly what our position is. The defence budget is not large enough for the commitments we are undertaking, so a future Conservative Government will fully fund the commitments we undertake, which will mean either more money for defence or fewer commitments, or a position between the two. The right hon. Gentleman will know all about it when the time comes, in the run-up to the next general election, which cannot come too soon for us.

Mr. Ainsworth: The House will have noticed that there was no answer either way on whether the Conservatives would spend more, just a wishful belief that the world will change, our commitments will reduce and we will live in a better place. We shall have to continue to ask whether there should be more or less for defence.

Jim Sheridan: I did not see the television programme on which the acting Liberal Democrat leader said that there would be no more defence spending. Would the £5 billion we have set aside for improving accommodation be cut, should the Liberal Democrats ever gain power?

Mr. Ainsworth: What was said in answer to a question was clear: no more spending on defence. If more spending is needed on the areas outlined by the hon. Member for North Devon, who says we are not spending enough on accommodation and medicine, it will come from cuts.

I turn to the capability we have delivered. Many Members attended a recent meeting to which Members of both Houses were invited by General Dannatt, when Colonel Westley, who has just returned from theatre, told us that the British infantryman is better equipped now than ever before and that there had been few complaints from his soldiers in the past few years.

There have been decades of underinvestment in housing for our personnel, so it is taking some time to put things right, but we are moving fast and much of our accommodation is now of a good standard; for example, 95 per cent. of service family accommodation is graded in the highest two categories of condition. The hon. Member for North Devon talked about substandard accommodation, but all our properties meet the decent homes standard. Only 145 service family homes are in the lowest standard, and by the end of this financial year the number will be reduced to about 81, so it is wrong to say that thousands of service homes are substandard—they are not. Our standards are higher than those in other areas, and we have no intention of lowering them to make the figures look better. Our service people deserve better, but it is unfair to suggest that there are thousands of substandard homes.

Mr. David Hamilton: I am well aware that there is a major programme over the next five years to deal with accommodation, and that in my area about 10,000 houses are being built. Throughout the UK, an enormous amount of house building is taking place, so one of the practical problems might be insufficient workers for the repair programme. Would it be possible to set up a joint development programme so that local authorities and social housing associations combine with the Ministry of Defence? That would be very practical.

Mr. Ainsworth: The rate of building work is a problem, as my hon. Friend points out. I would be happy to talk to him about the detail of his proposal to see whether it would have practical benefits.

We have spent £700 million on accommodation over the past year alone. In this financial year, we shall be making improvements to 5,000 service family homes, including substantial upgrades to more than 600 of the poorest quality properties. By 2013, the number of bed spaces built or improved since 2001 will rise to more than 50,000. We are changing the law so that people leaving the services will be allowed a local connection to ensure that they have fair treatment compared with those in civilian life.

On health care, the survival rates for battlefield casualties are unprecedented. We provide expert medical treatment and care to injured personnel on the front line. I have visited the field hospitals at Camp Bastion and Basra air station, where the care provided is world class, as it is at Selly Oak and at our rehabilitation centre at Headley Court. I welcome some of the things the hon. Member for North Devon said, but his comments about the standard of care provided were not fair and will not be welcomed by those who are doing their level best to ensure that our service personnel are properly treated throughout their health care pathway.

It would be good if people looked at the facts. The hon. Member for Portsmouth, South (Mr. Hancock) intervened and talked about the comments of an individual who was leaving the armed forces. The hon. Gentleman is a member of the Defence Committee, which visits facilities on fact-finding tours all the time. If he takes part in some of those visits, he will find that he has a more rounded view.

Mr. Hancock: I did not take part in the Committee's visit to Selly Oak, but I visited Selly Oak myself because service personnel from my constituency were there. I also visited the Ministry of Defence hospital unit in my constituency—that is on the record of the Defence Committee—so I am well aware of the situation. I represent a sizeable chunk of our service personnel—unlike the hon. Member for North Durham (Mr. Jones), who has now left the Chamber, who gave the Minister that information and who, sadly, does not have the opportunity to hear daily of the problems of service personnel.

Mr. Ainsworth: I am glad to hear that the hon. Gentleman is participating in the Defence Committee, which praised health provision in its recent report. I am glad that he acknowledges that.

Support for families of the injured is also important. We provide both family accommodation and funding to help with travel for families visiting injured personnel. We ensure the proper transfer of care when personnel are medically discharged, with properly managed resettlement and the monitoring of those who are seriously disabled for at least two years after their discharge.

On mental health, the risk of psychological injury as a result of operational service is a particular concern. All the research—our own research and independent research—indicates that the risk is small. However, we take it very seriously. These are serious and disabling conditions, but they can be treated. We have measures in place to increase awareness and to mitigate disorders. They include pre and post-deployment briefings, support, assessment and, if required, treatment.

Philip Davies (Shipley) (Con): I am pleased that the Minister referred to the importance of families. The Government have not provided proper legal representation for families at inquests. In the forthcoming inquests of Flight Lieutenant Stead, who was one of my constituents, and the other people who were killed in his Hercules—partly because it did not have the proper suppressant foam—the Ministry of Defence will be represented by a senior barrister, but the Government will not allow the same luxury and afford the same courtesy to the families involved. Will the Minister assure the House that proper legal representation at inquests will be offered to families such as the family of Flight Lieutenant Stead?

Mr. Ainsworth: This matter has been raised repeatedly by different people, and that is perfectly and utterly understandable. I am not going to commit to legal representation and legal aid for families at a coroner's inquest. The coroner's inquest is an inquisitorial, fact-finding process. It is not always appropriate that legal representation be provided. So, we are not going to provide legal representation at coroner's inquests, as a matter of course, in all circumstances.

Let me tell the House what I am concerned about with regard to the system. We should make sure that we are as open as we can be with people and that we reduce the appalling length of time that people have to wait. Under the current system, we wind up with a military police investigation, which sometimes goes on for months or even years. In many instances, we do not even start a board of inquiry until after that investigation is finished. A coroner is not happy or prepared to start his inquest until after the board of inquiry has completed its work and has reported. Meanwhile, the families are waiting and waiting, not certain about what happened to their loved ones and unable to get closure. We need and want to do more on that, but I am not sure that providing legal aid in the coroner's environment is always the most appropriate thing.

Patrick Mercer: I hear what the Minister says, but the fact remains that my colleagues and I, and Labour Members, have been making exactly this point for the best part of three years. If this were my battalion and something were not being delivered that could be solved, I would want to know why. I would put the resources into it, until such time as—this is exactly the Minister's point—the families get closure to the ghastly process of mourning.

Mr. Ainsworth: A long-standing methodology is being used. I share the hon. Gentleman's concern. We cannot continue to leave people waiting as long as we do. We must try to do all that we can, which means involving other Departments and coroners co-operating to try to shorten the process. It is not acceptable to keep people waiting years for such decisions. I will see what we can do to try to improve the situation.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I welcome my right hon. Friend's comments about delays. I have a constituent who has been waiting three and a half years for an inquest into the death of his son. However, may I press my right hon. Friend a little more on financial support for families? If the families of those who die in prison cells and police stations find that the deaths of their loved ones are considered exceptional cases, will he look at the possibility of deaths in the armed forces being considered exceptional cases? In which circumstance, financial requirements for legal aid can be waived, so families do not have to spend their life savings in an attempt to be legally represented.

Mr. Ainsworth: There are exceptional circumstances in which that may be appropriate. I am happy to talk to my hon. Friend outside the Chamber about how that works and in what circumstances it ought to be allowed. We have given additional resources to the Oxford coroner and the Wiltshire coroner. There are now additional facilities and we hope to see some reduction in the time that people are waiting. There is the system to be considered as well. The additional

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resources on their own are not going to buy the benefits that we need when it comes to the delay that we are imposing on people.

Mr. Bernard Jenkin (North Essex) (Con): I would simply point out that these casualties result from operations. They should be regarded as an exceptional cost of operations, and, therefore, the care of the servicemen's families should come out of the Treasury reserve. We know the position that the Minister has been put in by the Treasury. He has been told that if he wants to fund coroners' inquests and representations, the money will have to come out of some other budget in his Department. That is not acceptable. I am quite prepared to stand here and say that we should spend more on defence in order to fulfil the military covenant.

Mr. Ainsworth: The hon. Gentleman ought at least to recognise that there have been additional resources. However, resources on their own are not going to sort the problem out. We have to do something about the delays.

Mr. Hancock: I think that the whole House shares that view and will support the Minister in anything that he can do to speed up the process. However, if the Government are not prepared to fund legal assistance for families, will they continue to fund legal assistance for MOD witnesses at coroners' inquests and will they themselves be represented by an expensive legal counsel?

Mr. Ainsworth: There is not a blanket idea of never funding legal assistance for families, but, in the overwhelming majority of cases, the coroner investigates matters himself. If we want to put money into legal representation, in that fact-finding inquisitorial process, that is money that is coming from elsewhere. The hon. Gentleman needs to recognise that there is other support for families, which they appreciate, and which we need to make sure is appropriately delivered. We do not necessarily want to hand that over where that is not necessarily the right and proper priority.

Dr. Julian Lewis: If the families are expected to manage at inquests without legal representation, which is an arguable point of view, why are Ministry of Defence officials, with all their professionalism and expertise, allowed to have legal representation?

Mr. Ainsworth: The coroner system is a benefit for all. There are occasions on which the MOD feels that it needs legal representation, and there are occasions on which we would consider, in exceptional circumstances, legal aid for families. However, introducing that across the piece would not be the appropriate route down which to travel.

Mr. Kevan Jones: Are not those who are calling for families to get legal assistance fundamentally misunderstanding the process in a coroner's court? Even if the families have legal representatives, they play no direct role. Would not the money be better spent on supporting the families who go along to coroners' courts, rather than putting it into the pockets of lawyers, who have no role whatsoever to play in the process?

Mr. Ainsworth: My hon. Friend puts it better than I do. We must consider our priorities. The families must be our concern, but we have to ensure that we are looking after their genuine needs, rather than spending money on what should not be the top priority.

Let me turn to veterans' health. Mental illnesses sometimes do not emerge until after individuals have left the armed forces. We recently launched the first of six pilots for a new community-based veterans' mental health service. Subject to satisfactory evaluation, the model will be rolled out widely across the country. We have increased by 45 per cent. the fees paid by the MOD for mental health care for eligible war pensioners at homes run by the charity Combat Stress to enhance the care offered.

Let me talk about compensation for our armed personnel. The commitment that we make is for life. It starts with medical care and rehabilitation. If a person is unable to return to service, or to work, there is a pension for life, which is index linked and tax free. The one-off lump sum is not an alternative to that, but an addition to recognise the up-front costs that inevitably confront a person with injuries. As my hon. Friend the Member for North Durham (Mr. Jones) pointed out earlier, there was no up-front payment whatsoever when the Conservative party was in power.

We announced last month that over the next six months we would be pulling work together across the whole of the Government through the Command Paper on service personnel strategy. It will give us in Defence and every other Government Department the opportunity to assess what we are doing, to check our priorities, and to ensure that we are all doing all that we can to support our service personnel.

Linda Gilroy: I am not sure whether my right hon. Friend intends to say anything about welfare support packages for the families of service personnel who are on deployment. The situation has been vastly improved through access to e-mail and the telephone. May I draw to his attention the circumstances of submariners' families? Given the way in which submarines are deployed, including the stealth aspect, families cannot keep in touch in the same manner. Will he consider the welfare of submariners' families and, especially, ensure that they can get together before deployment so that they can draw support from each other during the very long time for which submariners may be deployed and out of touch with their families?

Mr. Ainsworth: The welfare of the families of people deployed is an important matter that will be examined by the Command Paper. We ought to look at whether we can do more for submariners as part of that process.

The hon. Member for North Devon talked about the new wi-fi facility. He should recognise that there is an allocation of free telephone calls and free internet connection in theatre. He should also recognise, as most hon. Members do—especially those who understand the armed forces—that Afghanistan is not the easiest place for connectivity. Logistically, it is about the most difficult place to run operations. We made a new commitment to wi-fi, but we never said that we could bring it in immediately or by the end of the year. We are looking to bring in this new additional commitment, and we will do so as soon as we are able.

Mr. Graham Stuart (Beverley and Holderness) (Con): Will the Minister give way?

Mr. Ainsworth: I am not going to give way again—I have given way a lot.

Through the service personnel Command Paper, we will look to see what more we can do across the whole of the Government to check our priorities and to ensure that we are supporting our armed forces appropriately. We will thereby ensure that we honour the spirit of the military covenant.

2.35 pm

Dr. Andrew Murrison (Westbury) (Con): I declare my interest as a medical officer in the Royal Naval Reserve. Our armed forces are second to none and we are all intensely proud of them. We should also salute the organisations that champion their cause.

I congratulate the Liberal Democrats on using half their Opposition day to discuss the broken military covenant. The hon. Member for North Devon (Nick Harvey) used much of his speech to discuss the proposals that his party apparently launched at the weekend. I say "apparently" because the event appears to have passed the media by, which was possibly because there was little new or distinctive in what was said. However, heaven loves a sinner who is brought to repentance, so we must welcome the Liberal Democrats' new-found enthusiasm for defence and the hon. Gentleman's endorsement of many of the ideas that we have been pursuing for some time. Clearly, he has read the policy report that we published in July—and, judging by his document, much of which is eerily familiar, a lot more besides.

Given that spirit of happy consensus, I hope that the hon. Gentleman will forgive me for saying how much I enjoyed something that I imagine will become a standard caveat on all Liberal Democrat spending commitments—*[Laughter.]* The Minister is giggling, so I suspect that he, like me, has read the document that the Liberal Democrats published at the weekend. On the second page, in very small print—I can barely read it—it says:

> "Some policy proposals published by the Liberal Democrats may imply modifications to existing government public expenditure priorities."

I spent some time puzzling what that might mean. I think that it means "cuts elsewhere", yet, try as I might, I could not find anything in the hon. Gentleman's speech that shed any light on precisely what those cuts would be.

The document goes on to say:

> "The Liberal Democrats recognise that it may not be possible to achieve all these proposals in the lifetime of one Parliament."

In the hypothetical case that we have a Liberal Democrat Government following the next election—perhaps in May 2010—that could mean seven and a half years hence. I am not quite sure which soldiers, sailors and airmen the hon. Gentleman is talking to, but those to whom I talk say that the covenant needs fixing now, not in seven and a half years' time.

Nick Harvey: One has to admire the hon. Gentleman's gall. When his party is put under pressure by the Minister, the hon. Member for New Forest, East (Dr. Lewis) says at the Dispatch Box that the Conservatives have absolutely no answers to the funding questions, but that they will let the Minister know when the general election comes. It is thus quite extraordinary for his colleague, the hon. Member for Westbury (Dr. Murrison), to level exactly the same charge at the Liberal Democrats.

The Minister pointed the finger at the Liberal Democrats and said that we would intend to pay for this out of savings to the procurement budget. He correctly identified where that would be. We have said that we do not see why we would need both the third tranche of Eurofighter and the joint strike fighter—it needs to be one or the other.

Dr. Murrison: I refer the hon. Gentleman to the answer that my hon. Friend the Member for New Forest, East (Dr. Lewis) gave earlier. I notice that the hon. Gentleman has not shed any light on where the cuts implied by the statement will fall.

I have been studying the Liberal Democrat election manifesto closely, as well as the contribution that the party has made to defence debates recently. Others might say that that is a pretty sad thing to do, but as many hon. Members would point out, time spent on reconnaissance is rarely wasted. The manifesto effectively contains just one paragraph on defence. The rest of any reference to defence-related issues has to do with the arms trade.

The poor attendance by Liberal Democrats at defence debates in Opposition and Government time is borne out by the official record, notably on 16 October, an occasion that was distinctly Liberal Democrat-lite.

The Liberal Democrats say that they want to set up what they call "a military covenant committee". They go on to explain, in a breezy sort of way:

> "Such a committee could perhaps be established in the House of Lords."

We learn that

> "As a cross-party body, it would be well-placed to provide credible recommendations drawing on the expertise and experience of its members."

That sounds to me like a job specification for Lords Guthrie, Boyce, Craig, Bramall and Inge. Ministers are, I hope, still smarting from the broadside that the noble and gallant Lords delivered in the other place on 22 November. I would not expect the Government to welcome such a plan, but for different reasons entirely, neither would I.

Generals are very fine people. Many of them are my constituents. But where would the views, experiences and insights of squaddies and their families be articulated in such a lordly committee of the top brass? Although I do not doubt the hon. Gentleman's good intentions, he needs to go back to the drawing board.

Mr. Bob Ainsworth: Surely it might be better to give retired generals a committee so that they do not have to do the foreword for a "Way Forward" paper.

Dr. Murrison: I am not sure what the right hon. Gentleman is referring to. If he has not already read the document that was published at the weekend, I suggest he does. There are more committees in the document than one can shake a hairy stick at.

[Dr. Murrison]

The military covenant appears to have taken form relatively recently, when it popped up in an Army book of reference, perhaps influenced by the more overt expression by our allies of their special debt to their armed forces, notably the US. I suspect that it was scripted by an Army staff officer, who thought it was a good idea at the time. There is nothing wrong with that. We should adopt it and work on it. I hope that we now understand that the military covenant is not simply the bailiwick of the Army, but that it extends in common usage right across our armed forces.

The Secretary of State's prior appointment is a perfectly good reason for being absent today. I am grateful to him for explaining yesterday the circumstances that take him away from the House today.

We learned from General Lord Guthrie about the Prime Minister's disinterest in defence as Chancellor, which he appears to have carried over into his new job, obliging photo calls in hot, sandy places notwithstanding. The Prime Minister must do the decent thing by our armed forces and ensure that the person whom he appoints as captain of the ship is able to devote his attention full-time to his vital defence duties. None of our troops in action, regulars or reserves, are part-timers. Why is their boss?

Mr. Ainsworth: I hope the hon. Gentleman will make it clear that the Secretary of State is not present because he is on important business meeting bereaved families.

Dr. Murrison: I am grateful to the Minister. I thought I had done that, in what I hope he will accept was an acknowledgment of the validity of the Secretary of State's absence from the House today.

The leaked 2007 Chief of the General Staff's briefing team report told us:

> "The tank of goodwill now runs on vapour; many experienced staff are talking of leaving."

It is backed up by this summer's continuous attitudes survey, which revealed that many of our crucial middle-ranking people were considering leaving over the next six months. The most recent set of Defence Analytical Services Agency figures published in November show that that was no idle threat, as 1,344 Army officers have indeed left in the past six months alone. That is twice the number for the year before, and three times that for 2004-05. The common factor appears to be the consequences of overstretch, with harmony guidelines being routinely breached.

The Under-Secretary of State and I on Monday, at an all-party group meeting on mental illness in servicemen, learned how important time between tours was for the mental health of our troops. Overstretch and the habitual breaching of harmony guidelines is undoubtedly making some of our people ill. I expect the Minister is as surprised as I am that none of our Liberal Democrat colleagues was at that meeting, particularly given their professed interest in the welfare of servicemen and the reference in their motion to mental health.

Had the Liberal Democrats been there, they would have learned about community mental health pilots and perhaps shared my concern at the apparent desire of the Service Personnel and Veterans Agency further to reduce its exposure to the health care of veterans by shifting responsibility to our NHS, which with the best will in the world has struggled in identifying and prioritising the health care needs of members of a small and shrinking defence community.

Willie Rennie (Dunfermline and West Fife) (LD): Those rather cheap remarks about attendance or not at meetings that the hon. Gentleman happens to attend are inappropriate. I have met a number of mental health charities on a number of occasions, including with the Defence Committee. He should check his facts before he makes such comments in the Chamber.

Dr. Murrison: I am grateful to the hon. Gentleman for putting that on the record, but I did not see him at the meeting on Monday. He would have benefited greatly from it.

My hon. Friend the Member for Woodspring (Dr. Fox) and I are familiar with Selly Oak and supportive of it. It is clearly right that our injured personnel are treated with the very best that our NHS can offer in an appropriate tertiary care centre. However, we continue to receive reports—I received one only a few minutes ago—of badly injured people still being nursed on mixed general wards. I seek the Minister's assurance that he is doing everything he can to ensure that the military managed ward is of sufficient capacity to accommodate our injured service personnel.

The Chief of the General Staff's leaked briefing tells us, on the subject of accommodation:

> "Estates are becoming less safe and more run down".

Those of us who have the honour and privilege of representing garrison towns will know that from our casework. Both as an MP and, before that, as a medical practitioner, I have been truly appalled by the service accommodation in my constituency. The commanding officer of 3 Para, Lieutenant Colonel Stuart Tootal DSO, cited the abysmal state of soldiers' housing as one of the reasons for his resignation last month.

Ten years after it came to power, the Labour party still likes to blame long-term under-investment, but bed spaces that were acceptable a decade ago will have deteriorated massively in the interim, while expectations have risen in parallel with those of the general population. It is surely right that in the 21st century our young men and women should not have to endure a degree of squalor in many cases that would have a college hall of residence condemned. Yet in 2006-07 £13.5 million was sliced from the five regional prime contractors, putting basic maintenance on hold.

At the same time we have seen £2.3 billion spent on filling MOD main building with more marble, gilt and wood panelling than Saddam enjoyed in his Basra palace, as those of us who are familiar with that building will attest. We find more poor prioritising in the resurfacing of tennis courts and the construction of sports pitches, priorities that now seem questionable, in the view of the Public Accounts Committee and the MOD.

Mr. Kevan Jones: I agree, but when I raised in the House on 16 October the amount of money being spent on generals' accommodation, I was roundly condemned by most of the Conservative Back Benchers.

Dr. Murrison: I think the hon. Gentleman is mistaken. As I understand it, the tennis courts in question were run for the benefit of the Royal Military Police.

David T.C. Davies (Monmouth) (Con): I am grateful to my hon. Friend for giving way during an excellent speech. Does he share my concern that while budgets for soldiers' accommodation are being cut, the Ministry of Defence was able to find several hundred thousand pounds for works of modern art? A spokesman at the time said, "Well, you can't expect us to hang up pictures of dead admirals." Presumably he was referring to war heroes of previous generations, whom the MOD now seems to think are not fit to adorn its walls.

Dr. Murrison: As ever, my hon. Friend has made a good point. The Government have at their disposal any amount of fine artwork, and it seems a pity that they have invested public funds in that way.

Nothing is more important to morale than pay and food, yet the joint personnel administration system has managed to churn out 55,000 cases of underpayment from January to September. We learn that this Christmas, soldiers have become dependent on the charity of regimental associations to tide them over. Where does the Minister think that fits in a military covenant that he maintains is not broken?

The Chief of the General Staff's briefing team's leaked report pops up again to criticise strongly the new way of charging people for food. Ministers know it as "pay as you dine", but soldiers call it "save as you starve". CGS staff believe that it is bringing a Pot Noodle and sandwich culture and say that they have even seen soldiers cooking ration packs over gas burners in their rooms. That is not a good situation to be in. Little wonder that soldiers are cynical; what was sold to them as a ritzy new line of restaurants and exciting eating opportunities has turned out to mean little more than the introduction of a till.

We have expressed our concern at the armed forces compensation scheme and I know that the Minister is reviewing its application. I await the outcome with great interest, but I am not convinced that the deal that our wounded soldiers get reflects the enormous debt that we owe them. Even with the guaranteed income payment, to which the Minister referred, it seems that many of our young men and women face a frugal existence that contrasts, I am afraid, with the financial outcomes for people with relatively minor occupational injuries.

Meanwhile, the PAX life insurance and compensation scheme, pushed by the MOD, intends to bump up premiums by at least 30 per cent. to mitigate the losses incurred through the current level of combat injury and death.

Mr. Jones: Will the hon. Gentleman give way?

Dr. Murrison: I shall give way to the hon. Gentleman when I have made a bit of progress; I have already given way to him once.

Mr. Graham Stuart: Once too often.

Dr. Murrison: Once too often, as my hon. Friend says.

I have an interest in coroners' inquests because the Wiltshire coroner is basing his work at the old Trowbridge town hall in my constituency. I have spoken to the coroner, Mr. David Masters, about these issues. I hope that the Minister will agree with the Prime Minister that having 122 inquests outstanding from Iraq and Afghanistan is unacceptable. I hope that he will be able to say what he will do to relieve what I regard as the avoidable stress being caused to bereaved families. Surely our military covenant should cover them.

Other Members have mentioned the issue of legal support for bereaved families. If the MOD feels it necessary to be represented at the inquests, it is surely right that families should be represented as well. I entirely endorse the remarks of the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) and others, who have asserted that the circumstances are exceptional.

Those of us with children know what a preoccupation education becomes; we worry far more about our children's education than we ever did about our own. The Liberal Democrat motion fails to mention families explicitly or education at all; those are serious omissions. However, this summer's continuous attitude survey for Army members, whose children find themselves particularly exposed to turbulence, reveals that half the families feel that Army life is having a negative or very negative effect on their children's schooling.

Research by Wiltshire local education authority, which is very much at the forefront of the issue, reveals that children from forces families perform worse in all subjects—particularly maths, interestingly—at all levels than their civilian-family neighbours. In Warminster in my constituency, 59 per cent. and 50 per cent. of pupils at the Avenue school and the nearby New Close primary school respectively come from service families. In Wiltshire overall, the figure can go up to 80 per cent. in some primary schools. That picture is repeated across the country in areas where there is a large military presence.

The problem is the turbulence that is caused and the other special factors that act as cost drivers in schools with a high proportion of service children. The children involved are great kids who deserve the very best, but they are handicapped by a funding formula that ignores their needs and the results of turbulence in particular. Such children are invisible in the pupil level annual school census; if they join and leave during the school year, it is as though they never existed for the purposes of the funding that their LEA gets. What effect does the Minister think that has on school finances? Is it any wonder that service children's results are so relatively disappointing?

Mr. David Hamilton: Does the hon. Gentleman not agree that improving housing standards is of key importance if our servicemen are to remain in the Army and not

[Mr. David Hamilton]

worry about their families? As we improve the house building programmes, education will also be improved, as families would rather stay in good accommodation. They would be more stable and that would assist family outcomes.

Dr. Murrison: I am sure that there is an element of truth in what the hon. Gentleman has said.

October 2 was a day of significant speeches from sandy places. In a reversal of what presumably was intended, the Prime Minister's Iraq address was completely eclipsed by the barnstorming speech of my right hon. Friend the Member for Witney (Mr. Cameron) in Blackpool. Back in October, Christmas seemed such a long time away, but it did not seem so for service families. The Prime Minister said from his desert soapbox that 1,000 troops would be home for Christmas, but he failed to say that the pledge was backdated to June. In fact, since the beginning of September, the number of troops has fallen by just 120.

As most of us here contemplate Christmas at home with our family and friends, is it any wonder that our troops feel let down by a Government whose first instinct is to spin, even at the expense of our men and women engaged in two major conflicts? Those conflicts were unforeseen by the planning assumptions of a now laughably out-of-date strategic defence review and financed only in part by a heavily caveated urgent operational requirement.

I end on a slightly more conciliatory note. Four years after the publication of the well intentioned but largely ignored overarching personnel strategy, the Government's understandable focus on military hardware may well have unwittingly squeezed what used to be called the greatest single factor in Britain's armed forces—their people. The time may have come to reappraise the balance.

Madam Deputy Speaker (Sylvia Heal): Order. I remind hon. Members that Mr. Speaker has imposed a limit of 10 minutes on Back-Bench speeches. Members may wish voluntarily to reduce their contributions further.

2.58 pm

Mr. David Hamilton (Midlothian) (Lab): I shall be brief; I have asked a number of questions and spoke in the last debate on these issues. I feel very strongly about how we deal with the families of our armed forces, and I shall concentrate on that point.

As I said last time, when people from my area left school many years ago in 1965, they went to the pits or the mills or they joined the Army—we had Glencorse barracks, which were referred to earlier. What surprises me and is very important is that we must move forward at a time of high expectations. The expectations of people leaving school are now much higher than many years ago. The days of dormitories are over; if we want to attract the best people into the armed forces, we must provide proper accommodation to go with that for when they are back home.

We must ensure overall that families are well looked after. That is the biggest single issue that I find with members of the armed forces whom I meet—it is about the families. When our lads and lassies are at the front in Afghanistan or Iraq, all they are worried about is how their families are getting on back home. That is why—I say this to the hon. Member for Westbury (Dr. Murrison)—I emphasise the point about education and homes. As we develop a programme to make things much more stable so that people can choose to stay in their homes instead of moving to Germany, that will mean much more stability not only in the home, but for the children who attend school. In my constituency, a substantial number of children from Glencorse barracks attend the local primary school.

While I was with the Defence Committee in Germany, I realised for the first time—one always learns from practical experience—that children need to be together. When children are moved into Army barracks, the education authority considers moving them to the nearest primary schools, so that they are spread out into different ones. My experience in Germany showed me that the best thing to do is to put all the children in the same school, because if any disaster befell a family it was amazing how that reflected itself all the way down through the families of the armed forces to affect the children, who depended on each other. I spoke to people at a local primary school a few months ago, and it was amazing how the young kids who were based in Germany and Cyprus before coming back to Britain had gelled. That was good to see. Because of the housing that is available to mothers and fathers, many of them have chosen and will choose to remain where they are in the long term instead of moving about as they have hitherto.

I congratulate the Government on the long-term house-building programme. It is brilliant to find that we now have single people's accommodation with a television and a single bed and no other person in the room. It is very good for them to have that facility in some of the new build that has taken place. However, there will be a practical problem throughout the UK in trying to get workers for some of the schemes that are under way. In many areas, those workers will not be found. It is difficult in my area, where prices have rocketed and are three times what they used to be; that is why we are having to bring people over from the eastern countries to do the work. In appropriate areas, joint ventures between social housing organisations, local authorities and the MOD might be the way forward. I am glad that the Minister has agreed to meet me to discuss that.

We must recognise the amount of money that is going into the developments that are taking place. The Government have undertaken to ensure that when people leave the Army they are on an equal footing when they go on to the housing list. I genuinely hope that they, and all Opposition parties, will take a different view. In Midlothian, armed forces personnel get priority so that when they leave the armed forces they go to No. 1 on the housing list. I have never once received a complaint from any member of the public about that position. If we are truly going to recognise the role of the armed forces, perhaps the leading lights from the three main parties can agree on one thing.

Mr. Colin Breed (South-East Cornwall) (LD): I recently raised that issue with my district council, because unfortunately armed forces do not get priority locally. I entirely agree that there would be no public concern whatsoever, and it would be a real fulfilment of the covenant to do that and to make it absolute policy throughout the country.

Mr. Hamilton: I thank the hon. Gentleman for that contribution. I agree, Madam Deputy Speaker—I mean Mr. Deputy Speaker; that was a good changeover—that that is very important. An understanding that local authorities recognise such matters would send an important message to our armed forces as they come out of the service and are trying to get back on to the housing list.

I notice that, once again, no Scottish National party Members are in the Chamber to discuss this issue. It is important to recognise that several issues that are faced by the Government in relation to education, health and so on do not apply in Scotland, which is a separate case. When kids from a Scottish regiment come back from abroad, they come back not to an English education, but to a Scottish education, and that must be recognised. When the Defence Committee took evidence in Scotland, I was truly ashamed by the ignorance of officials in the Scotland Office who did not understand the questions that we were asking. We stated that view in our report—it was an outrage. I ask the Minister, when he talks about how we develop programmes throughout the UK, to remember that Scotland, Wales and Northern Ireland are in many cases different. Although 87 per cent. of the UK's population is in England, a disproportionate number of those in Scotland, Wales and Northern Ireland are in the armed forces, and let us ensure that we deal with everybody as part of the UK.

3.5 pm

Mr. Mike Hancock (Portsmouth, South) (LD): The transition from Madam Deputy Speaker to yourself, Mr. Deputy Speaker, was a stealthy operation—it would have done the SAS great credit to slip in so unseen.

I am delighted to follow the hon. Member for Midlothian (Mr. Hamilton), because his intervention on the Conservative spokesman was very relevant and the response that he got was less than generous. The hon. Gentleman's point was that the changes that the Army, in particular, has brought about were geared around the lifestyle of families to ensure that children and housing became a much more stable commodity for service families, and it is wrong for anyone not to give credit for those changes. I am sure that five years from now there will be a distinct difference for service families in how education, in particular, operates.

As the longest-serving member of the Defence Committee, our recent session—*[Interruption.]* I remind Labour colleagues that at recent meetings Opposition members were in the majority, because despite their huge numbers on the Committee, so many of them were absent. Over those 10 years, I have listened to lots of evidence sessions, but the best one by a long way and for a long time was that on Defence Medical Services, which was attended by the Under-Secretary and the two leading Army medics—the one in charge of medical services and the surgeon general—with the NHS represented by a Health Minister. That showed a positive and open-minded approach to the issues that servicemen and their families were facing. It was a real pleasure for once to hear two generals who were committed to the issue before them, were not afraid to say somewhat controversial things, and willing when they did not have the answer to admit as much. I am like the former defence Minister, the right hon. Member for Islwyn (Mr. Touhig), who said that he could not recollect former chiefs who reported to him raising these matters when they were in office. One wonders how much credibility there really is among those people in the other place who continually make these comments when they are out of service but did little or nothing at the time. Mike Jackson gave evidence to the Defence Committee many times about the morale of the Army, and I cannot remember one occasion when he said that one of the key issues is junior ranks' accommodation or, for that matter, service accommodation generally.

I would much rather listen to someone who, at the age of 42, having led 3rd Battalion the Parachute Regiment in Afghanistan, resigned from the Army and clearly stated the reasons. I hope that the Minister for the Armed Forces will look carefully at the points that that colonel raised in his resignation letter. That is a man who has had the job of commanding a unit and has had to face what the hon. Member for Newark (Patrick Mercer) had to face in commanding soldiers in the Balkans—dealing with the daily issues that soldiers face and the pressure that they are under on the front line. It is not about their own safety and what is affecting them, but about what is going on at home. That is why so many Members, including the hon. Member for Plymouth, Sutton (Linda Gilroy), intervened about the family welfare packages that are available. It is essential that we get that right and that we have a duty of care not only to service personnel but to the service family in its entirety.

We need to look carefully at the issue of inquests. I enthusiastically support what was said in the statement about greater resources; every single Member here who has been close to such processes for any period welcomed that intervention and that new money. Coroners will be allowed to be more flexible about where the hearings take place.

I return to the point, however, of legal representation. With regard to families not having legal representation automatically, we should not forget that that would be a matter not just of the MOD paying, but of people having access to legal aid. It would not fall on the MOD if the legal aid regulations were worded to the effect that the circumstances of a death could be treated in a certain way if they were sufficiently extraordinary—in the same way as they would if someone died in police custody or in prison. I cannot understand why we cannot overcome this problem. The cost would not fall on the defence budget, and the matter has to be seriously considered. The Prime Minister, in one of the interventions that he took on his statement this afternoon, said that he would look at it. We need to look at a change to the legal aid regulations, which would allow further change to happen.

The hon. Member for Westbury (Dr. Murrison) talked about a lack of mention of welfare, families or education in our motion. Remarkably, there is no mention of education in the Conservatives' amendment to it. I wonder whether, just as in respect of the previous

[Mr. Mike Hancock]

intervention he took, when he suggested that he did not quite know what we were talking about, he had not read his own amendment.

Bob Russell: He signed it.

Mr. Hancock: Despite the fact that the hon. Member for Westbury signed the amendment, I am sure that he would not have been the first Front-Bench spokesman who had signed something without reading it. Our motion certainly talks about the overall package of welfare, and it would have to be a pretty mean-spirited person who did not recognise that that, in its entirety, meant the welfare package for service personnel: housing, education, health—the whole gamut.

On the question of housing, I represent an area where there is a high proportion of service housing, and I am a little mystified about where the 140 unfit houses are located. I cannot believe that they are all in Portsmouth. If there are only 140 unfit houses in the MOD estate, I cannot believe that they are all located in and around the Portsmouth area. That figures needs to be considered with a great deal of caution; I suggest that we look at it further. We must be renting more than 140 houses in the private sector because there is not suitable accommodation for service families in Portsmouth. I know for a fact that we are doing so. It is interesting that the current Chairman of the Select Committee on Defence continually tells us that it was his last task as a Minister at the MOD to sell off the housing estate. I am sorry that he is not with us this afternoon, because he would have another chance to justify that awful decision.

The only winner in that disposal was Annington Homes. It is clear that the disposal of surplus assets has made up nearly half, if not all, of the price it paid the MOD for the initial acquisition. I am at a loss to understand why the MOD is building houses at the same time as Annington is selling them. I have yet to understand how that equation works out to the benefit of the nation. We sell off our service homes and say that we will rent them back. We allow some of them to fall into disrepair. They are no longer used by service personnel because they are not fit to live in, and Annington then gets the privilege of selling them off. At the same time, the MOD is spending hundreds if not millions of pounds in the greater Portsmouth area alone to replace housing.

Let us get it right on housing. I admire what the Government have done about single person's accommodation for junior ranks in the Portsmouth area. That has greatly improved, but there is still a long way to go. Based on the estimate given to the Defence Committee five years ago, it will take 20 years to bring all single service accommodation up to standard. In Aldershot, we were renting four-bedroom houses so that six Paras could live in them because the accommodation available was inadequate and shameful. One of the reasons that they moved to Colchester—apart from the fact that Essex has some attractions and that they would have the hon. Member for Colchester (Bob Russell) representing them—was the appalling state of the single-service accommodation in Aldershot, which was demolished as soon as they moved out. It certainly was not the football that attracted them.

I welcome the debate today, and I think that there is a general accord. I do not believe that the military covenant is being broken, but I agree with those who have said that it needs to be cherished and that it is in need of greater care. Resources have to be prioritised, and we have to be honest and fair. In a perfect world, everything would be in place, but we do not live in that world. We have to accept that major steps have been taken by this Government to bring about improvements—I think that this view is shared and supported by the whole House—but that is not to say that an awful lot still does not have to be done.

3.15 pm

Mr. Gordon Marsden (Blackpool, South) (Lab): It is a privilege to speak in the debate this afternoon, and a privilege indeed to follow the hon. Member for Portsmouth, South (Mr. Hancock), who always speaks on these matters with authority and fairness.

I want to touch this afternoon on how the issues in question affect me as a constituency MP, and about the role that various organisations play in relation to them. It is instructive that the Government amendment talks about

> "the role played by ex-service organisations and other charities in contributing to…support".

I should like to spend a little time talking about that role, and about the key role played by individuals. Over the years, along with other towns in Lancashire, Blackpool has contributed more than its fair share of servicemen to difficult spots. When I first came to this House, one of the things that first drew me into contact with veterans' organisations was the campaign for compensation for far east prisoners of war. That compensation was achieved under this Government after more than 40 years of failing to do so.

I strongly welcome what the Royal British Legion has done by introducing its campaign. It has focused minds throughout the House on the various issues, and the organisation has been commendably fair minded in the way it has pursued them. That is one of the reasons I sat down with my local Royal British Legion association to talk about some of the key issues that have been raised with it, and I want to touch on them a little later.

We have, quite rightly, heard a lot about the practical nuts and bolts of service conditions today. In speaking in the debate, I am acutely conscious that I am a civilian. Like the majority of people in this House, I have never served in the armed forces. I did have the privilege, however, of editing the magazine *History Today* for 12 years, and in that context I dealt with and met many historians and the actual veterans whose service we are considering. Honouring our servicemen is not just about honouring them through practical conditions, but honouring them through remembrance of their service and their achievements. The recognition of those achievements is extremely important; it has a practical consequence, and links into their needs today.

Both my parents served in the armed forces during the war, and I am sure that many people here had parents who served. They are literally the generation to whom we owe everything. It is important that their needs should be addressed now, while many of them are in their '70s and '80s. That is why I was pleased when, under this Government, the service of the Arctic convoy veterans was recognised—the Russian convoy club in Blackpool and many of my constituents had brought the matter to my attention. Under this Government, we have had recognition of the Suez canal veterans, the Bevin boys and the Land Army girls. Those are intangible things, but important nevertheless.

David T.C. Davies: Will the hon. Gentleman give way?

Mr. Marsden: I will not give way because of the time constraints, and to allow other colleagues to get in. I am sorry.

We need to look at practical things today. When I sat down with my British Legion colleagues in Blackpool, they were particularly keen to talk to me about three main issues: mental health care, support for families at inquests, and general priority treatment for veterans; all of those are important issues. I might add in passing that the British Legion in Blackpool has played a tremendous role not just in supporting veterans, but in fundraising. Because of the nature of Blackpool as a leisure and tourism town, the British Legion organisation there has raised £100,000 over the past 18 years through its annual Poppython, which is a 10-hour entertainment extravaganza that raises money in the weeks before Remembrance day. I want to put on record my tribute to its president, Ian Coleman, and to the many members of the organisation who work very hard for it.

Many Lancashire servicemen were taken prisoner while fighting in campaigns in Singapore and elsewhere. Every year, the Burma Star Association holds its reunion in the Winter Gardens, and my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) and I have been privileged to attend those reunions over the past 10 years. Behind that organisation, one man, Jack Nield—who, sadly, died last month—had been a tireless worker for the welfare of the Burma Star veterans over the past 20 years. Those are some of the individual stories behind the organisational ones.

I want to discuss how we should honour all these people today, and how we can take these issues forward. We have talked about priority NHS treatment for veterans. Many veterans are not aware of that entitlement; indeed, many primary care trusts do not know about it either. That is why I have written to the chief executives of all my local trusts, including the Lancashire Care NHS Trust, to ask whether they have protocols for this, and whether veterans are receiving the priority treatment to which they are entitled. We must also remember that veterans suffer from a wide range of conditions, many of which might not emerge until 30 or 40 years after their active service.

The survival rate issue produces particular challenges in regard to treatment. One of the members of my local British Legion committee said that some of the people on active service in Afghanistan or Iraq would not have survived 20 or 30 years ago. That is absolutely true, and we have heard testament today to the work being done in that respect. We need to support the people involved as much as possible through the process, and I welcome the investment that is going into Selly Oak and to Headley Court, but may I make a plea to the Minister to consider what more can be done to provide support and accommodation for families who have to be there with their loved ones over a long period of time?

One of the most moving things that any Member has to do every year is to attend Remembrance day services and, in many cases, to lay wreaths in memory of the servicemen who have lost their lives. These issues have come so much more to the fore in recent years not only because of the media coverage of historical anniversaries but because we are acutely conscious of the sacrifices made in more recent conflicts, such as the Falklands, Afghanistan and Iraq. Last year, I laid my wreath at the Blackpool war memorial, following the parents of Gunner Lee Thornton, who was killed while on active service in Iraq. His parents are still awaiting his inquest, and I have written to the Blackpool and Fylde coroner on their behalf to ask what we can do to speed up the process. I welcome the Government's proposals on centres of excellence, but may I again make a plea to my hon. Friend the Minister to take whatever action he can on this issue now?

The Veterans Agency—which is based just outside my constituency, in that of my hon. Friend the Member for Blackpool, North and Fleetwood—does an excellent job, but many claims are still disputed. The Government should not be afraid to put right old anomalies. In that regard, I want to make particular reference to the treatment of merchant marine servicemen, which has not always been on a par with that provided to the other services. In fact, just before his death, Jack Nield, to whom I referred earlier, sent me some casework on that issue, which I shall take up with Viscount Slim, the president of the Burma Star Association.

Every year, at the Blackpool cenotaph, Jack Nield used to deliver the famous Kohima epitaph:

"When you go home
Tell them of us and say
For your tomorrow
We gave our today"

Our servicemen are still giving their tomorrows in Afghanistan and Iraq, and their families are having to bear the pain and suffering. Let us ensure that everything that we do to support them and to honour the covenant matches that sacrifice.

3.24 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): It is a great pleasure to follow the hon. Member for Blackpool, South (Mr. Marsden) and to echo his sentiments. He was a distinguished editor of *History Today*.

I should like to look at a different aspect of the military covenant that I think parliamentary colleagues will regard as crucial, even if they disagree with some of my interpretations. It is the breakdown of the military covenant between Ministers and senior officers. I declare an interest in that I taught military history to service personnel for many years. I also did two and a half years as a special adviser in the Ministry of Defence. I have therefore seen these issues from both sides.

I think we all agree, although we might place our emphasis in different areas, that public disquiet is increasingly being expressed not only by regiments of retired officers—to whom some serving officers refer as

[Mr. Keith Simpson]

"the dead Army"—but by serving officers themselves. I am thinking particularly of the comments made by General Sir Richard Dannatt and the perhaps more discreet comments from Air Marshall Stirrup, the present Chief of the Defence Staff, about a range of issues that have also been mentioned today.

There is nothing new about tensions between politicians and senior officers. It comes down to personalities, politics, budgets, resources and, of course, policies. Our history is littered with robust individuals in the military, including Nelson and Wellington, and Roberts and Wolsey in the late 19th century. Relations between politicians and the military during the first world war were often appalling—between Lloyd George and Haig, for example. There was also a robust relationship between Churchill and senior officers in the second world war. People such as Mountbatten and "Shan" Hackett also spring to mind. There have been faults on both sides.

I suggest, however, that it is unusual to have had such an outpouring of feeling not only from retired officers—to have all the former Chiefs of the Defence Staff speaking as one is quite unusual—but from serving officers. We should accept the fact that, although most military personnel have a deep interest in political issues and will argue strongly not only about military matters but about matters that concern them as ordinary voters, including the environment, the police and that kind of thing, they tend to have a pretty low opinion of politicians. I suspect that we come just above child molesters and journalists in their rating system.

When the former Chiefs of the Defence Staff spoke out, the hon. Member for Sunderland, South (Mr. Mullin) suggested that they were all part of a Tory plot. I do not think that that is the case at all. I suspect that many of them have never voted Conservative; some might not vote at all. The fact is that these serving and retired military men believe that the stresses and strains that the armed forces have been under for the past two or three years are unprecedented. The fact that Richard Dannatt, who is normally a most cautious and discreet man, spoke publicly strikes me as significant.

I believe that the military covenant is in danger of breaking down because the chain of command itself is under such enormous pressure. Many middle-ranking and senior officers believe that their men and women—and, more importantly, their families—do not believe that the chiefs of staff are accurately and forcefully representing their concerns to Ministers; hence they feel forced to speak out. Anyone familiar with the array of military blogs will know the reactions of servicemen and women to this matter.

One of the problems that the Government face is that their strategic defence review in 1998—which was warmly welcomed by the military establishment, which participated fully in it—was, sadly, never properly funded. Indeed, the man who drove it through, Admiral Essenheim, ended up retiring early from the Navy in disgust.

For decades, as we all know, the military appear to the Treasury to have cried wolf on resources. On so many occasions—be it the Falklands, the Gulf war, Kosovo, Sierra Leone, Iraq or Afghanistan—they have said before those conflicts, "We have insufficient resources." Invariably, they deliver. Why? At the end of the day, they do so because they cannibalise their resources; because, as former Prime Minister Blair knew, they have a can-do mentality; and, more recently, because we have been borrowers from the Americans. Without being able literally to borrow kit in Afghanistan, the armed forces would not be able to operate.

The military fear that eventually the armed forces will be irreparably damaged if this current tempo continues, and that there will be, in the words of General the Lord Guthrie, some degree of "operational failure". What is the attitude of Ministers to this? I do not accept the criticism of some colleagues that the problem is that none of the defence Ministers has any military experience. That is the norm and is likely to be the future norm, and it does not mean that they cannot perform their functions properly. After all, one does not have to be a train driver to be Secretary of State for Transport, or to be a teacher to be Education Secretary. What those in the professions that operate within those Ministries look for is Ministers who are competent and forceful and can explain the case and, where necessary, take responsibility for failures and inadequacies that they are ultimately responsible for. I am afraid to say that one of the Government's problems is that the Prime Minister has a reputation, unlike his predecessor, for not being particularly interested in defence. He has almost a Gladstonian attitude to defence, and it has not been helped by spinning.

Many comments have been made about the fact that the current Secretary of State is double-hatted. I do not cast any aspersions on his hard work—he is a very committed man and I suspect that privately, he is deeply embarrassed about being double-hatted. However, the message that that sends to the servicemen and their families is entirely negative. It does not matter if he is doing only one hour a week on that other job; what matters is the perception, as much as anything else. That has contributed in part to what I believe is the erosion of the military covenant.

The crucial element missing from any debate about the military covenant and relations between Ministers and the military is the role of the policy-making civil servants, who are absolutely crucial. In my day at the MOD, they were quite formidable. Sir Michael Quinlan, the permanent under-secretary, was a man who made the Chief of the Defence Staff automatically put an exercise book down the back of his trousers and my noble Friend Lord King start hiccupping nervously. He was a formidable man. I am not sure whether the policy-making civil servants of today are of the same calibre, but they are crucial in developing many policy areas and in maintaining the military covenant. We need to look more carefully at their role.

If the House at least accepts my contention that there are problems—even if they do not accept that there is a breakdown of the military covenant—how do we repair them? First, Ministers just have to try harder and not spin. They have the responsibility of repairing mutual confidence. Equally, the military should not leak. They should not go to the media because if they do, why should their ordinary soldiers, sailors and airmen not do the same thing if they happen to disagree with the operational orders of a senior officer? This is going to depend on robust personal relationships. I see nothing wrong in the fact that there will be robust discussions between the military and Ministers.

Finally, we need to look at the whole question of our national security strategy and institutions. If we do not get this right, we will have future conflicts in which the relationship will break down completely, and we will revert to a position in which politicians and the military have mutual antipathy, as they did during the first world war, when the military were referred to as "brass hats" and civilians were referred to as "frocks" because of their frock-coats. We need to get this right.

3.34 pm

Mr. Eric Joyce (Falkirk) (Lab): I am aware of the time, Mr. Deputy Speaker, so I shall be as brief as I can be. It is a privilege and a pleasure to follow the hon. Member for Mid-Norfolk (Mr. Simpson), who made a characteristically excellent speech, although I disagreed with some of his points. I will not deconstruct his speech, but I agreed with much of what he said. The Conservative Front-Bench spokesman, the hon. Member for Westbury (Dr. Murrison), introduced himself as, effectively, a serving officer. I remember the hon. Member for Mid-Norfolk sticking it to me in an Adjournment debate regarding what I did before I was a Member here, albeit in a slightly different context. Nevertheless, things have moved on and it seems to be much more the norm for officers—on the other side of the House, uniquely—to get operational experience and to come back here and make their recent expertise known in the House. That is no bad thing and it adds to the mix in a useful and important way.

Dr. Murrison: I was simply bringing the House's attention to my entry in the Register of Members' Interests. I am sure that the hon. Gentleman would be the first to criticise me had I not done so.

Mr. Joyce: It is not my intention to criticise; my point is that it is pretty much the norm for Members to go on some kind of operations, and to come back to the House and give it the benefit of their expertise. That change has occurred in the past five or 10 years, and it has certainly occurred in the relatively short time that I have been here. That is a good thing, but it flags up the complicated nature of the relationship between people who have served, those who are serving—be they members of the Territorial Army or of the reserve forces—and those who are on half pay. I might be wrong, but I think that some former Chiefs of the Defence Staff are on half pay, rather than being retired officers in the other House. I want later to address a few aspects of the behaviour of the former Chiefs of the Defence Staff.

The hon. Member for North Devon (Nick Harvey) said at the beginning of his speech that the military covenant should be codified. We all know that, in a way, it is codified. *[Interruption.]* Well, it is and it is not. The reality is that one cannot codify a relationship between society and service personnel. The fundamental thing about the military covenant is that it is exactly that—a relationship involving society as whole. My right hon. Friend the Minister for the Armed Forces rightly pointed out how important it is that we have a meaningful and proper debate about the resources that we spend on defence and how we spend them.

The accommodation situation is still a disgrace. I have no idea how we as a nation, regardless of which party is in power, have allowed military accommodation to reach a point where, frankly, it is not good enough. The Government are doing what they can. They have put in £5 billion—we have all heard the figures, which have been mentioned many times—and they are doing many things that will benefit serving personnel. A future Conservative Government might well do something similar—I have no idea—but I notice that when the Conservatives tell us that we should spend more than the uplift we are already spending, they never add to that a spending commitment. That has to devalue to some degree what they say. When they come up with a spending commitment, they may have a stronger moral edge to their argument.

I mentioned the hon. Member for North Devon simply because it is wrong to say that the covenant is akin to a legal contract—that it is almost like terms and conditions of service, or a document that lays down the relationship between a Government and their service personnel. Much of what we should be doing with the military covenant is about people's attitudes. We have all heard the stories recently about troops being forced out of swimming pools and people putting in planning objections to buildings—at Headley Court and elsewhere—that will be used by people visiting their loved ones who have been injured in the forces. These things are commonplace and it is the job of all of us and others—including the media, I would like to think—to change people's attitudes.

Fundamentally, it is true that how much money we spend as a nation on defence is a big issue. We frame it in terms of a proportion of our gross domestic product or sometimes we talk about increasing expenditure in real terms. Whatever we do, there is an argument to be won with the public at large. For that reason, when we talk about the military covenant, we should think in those terms—of the public at large—rather than just in terms of the relationship between Ministers, the Government and service personnel.

I want to add a mild note of criticism. People generally tend not to criticise the Royal British Legion and, on the whole, I do not either. I do think, however, that a touch of some aspects of its campaign over the military covenant has jumped into that space for criticism. It may have been done for good campaigning reasons, but it has jumped into that space where people have tended to view the campaign as a criticism of the Government. I find it slightly peculiar that the Royal British Legion put on events at party conferences, yet did not allow Ministers to speak on the grounds that it would be political. Why come to party political conferences? It seemed rather peculiar. The Royal British Legion's campaign has largely been sound and appropriately delivered, but some aspects in the margins should be thought about again more critically before it launches into its next big campaign on whatever subject.

I would now like to say a few words about what I believe to have been disgraceful behaviour in the other place, which was co-ordinated and organised by the former Chiefs of the Defence Staff. These are people

[Mr. Joyce]

who want to put themselves above politics, yet they will quite happily stand at the launch of a perfectly legitimate "Way Forward" Tory party document. I realise that Conservative Way Forward is more a Tory think-tank than an official party document, but it is preposterous in the extreme to think that former chiefs of staff can write a foreword to a political pamphlet and then try to pretend that they are above politics. That is a farce. Frankly, although I realise that they have a great deal to contribute—they are enormously talented and capable officers—if they want to put their political cards on the table, let them do it, but let us not shilly-shally about what their political sentiments are.

BlackBerrys are a miracle. I think I am right in saying, Mr. Deputy Speaker, that I am allowed to get some data on my BlackBerry as I am sitting here. I say that because this may not be a complete list. I do not think that General Guthrie mentioned the fact that he was a paid director of Colt Defence, Siboney Ltd, Sciens Capital, and Rothschild; or that Field Marshall Inge mentioned that he was a paid director of Aegis, which clearly has interests in Iraq, Afghanistan and elsewhere. They are excellent companies, by the way, and I know that they will be very excited and pleased to see themselves referred to in this place today. Lord Boyce is a paid director of WS Atkins and of Vosper Thornycroft. I may be wrong, as I have just had a quick perusal of the *Hansard* from the other place. I do not know, Mr. Deputy Speaker, what the rules are and I doubt whether they have broken any of them. However, I will say that former chiefs of staff are probably earning more from their directorships than paid Members of this House and that if they do not want to declare those directorships and if they want to get politicised and personalised—

Mr. Deputy Speaker (Sir Michael Lord): Order. I hesitate to interrupt the hon. Gentleman. It is one thing to refer to the qualifications and interests of Members of the other House, but he must be careful not to imply anything else when he makes these remarks.

Mr. Joyce: I appreciate that, Mr. Deputy Speaker. Let me just say that if they want to become personalised and politicised and to earn lots of money from interests that they do not declare before they make a speech, that will enormously devalue how they are perceived. That would be a great pity, as it would devalue their advice and their comments, which would be highly regrettable.

Let me make one final point. The hon. Member for Mid-Norfolk—as ever, he makes very good points—referred to the important relationship between Ministers and chiefs of staff. That really is important. General Jackson has made many comments recently, and I sometimes think that he is being criticised for having been highly professional about how he conducted that relationship. Perhaps it is time for the former chiefs of staff in the other place to reflect on whether they think that their co-ordinated and politicised outburst of a couple of weeks ago helped or hindered the relationship between Ministers and the current chiefs of staff. If a Minister is chatting to a chief of staff about the important issues of the day, he might be thinking that in a couple of months' or a year's time, that chief of staff will be quoting personal conversations or behaviour and slagging him off personally. That is highly regrettable. The former chiefs of staff next door have done considerable damage. I know that they will not be embarrassed. From what I can see of them, they are not embarrassed at anything as they think that they are above politics. Well, they are not.

3.44 pm

Patrick Mercer (Newark) (Con): It is a great pleasure to follow the hon. and gallant Member for Falkirk (Mr. Joyce), many of whose comments will bear much closer interest and much further address by both Houses.

I want to talk about a subject that goes to the very heart of the military covenant. It is a subject that has been hinted at by the Ministers and Liberal Democrat Members who are present, but which is rarely mentioned for the evil that it is, red in tooth and claw, and for the damage that it does, particularly to the Army. Bearing in mind the former service of my colleagues on the Front Bench, my hon. Friends the Members for New Forest East (Dr. Lewis) and for Westbury (Dr. Murrison), I will concentrate most of my comments on the Army, but some if not all of them will apply to the Royal Navy and the Royal Air Force. I wish to talk about the evil of undermanning, principally inside the Army, and the vast damage that it is doing to the covenant as we understand it.

We are told that the Army is 3,000 men under strength. That is complete and utter nonsense. It is more like 16,000 men under strength, and it is rapidly approaching a position where battalions, brigades and regiments are incapable of operating in the field and where units are deploying on operations at a non-combat-effective strength, as I shall illustrate in a moment. Why do we not hear about that in more detail? The reason is that, with respect, it is only anoraks such as me who have been deeply involved in this stuff in the past who understand it—I do not mean to sound like an old sweat, but there we are. Also, we do not hear from the former Chiefs of the Defence Staff, because they were responsible for a drama that occurred several years ago, which has now turned into a crisis that is likely to bring units to their knees, if it has not done so already.

Some 18 months ago, the 1st Battalion the Staffordshire Regiment, now scrapped and turned into something call the Mercian Regiment—excuse the curl of my lip—deployed to Iraq one rifle company strong, with another company that was capable of driving and manning its Warrior armoured vehicles. That was all: the unit was not combat-effective when it deployed.

We recently heard of some regrettable deaths in action in a unit that rejoices in the name of the 2nd Battalion the Yorkshire Regiment, but which we will more properly call the 19th of Foot, the Green Howards or the North Riding. The unit is meant to be 600 strong—that is its peace establishment—but it is not. It is 100 men under strength already, in peace time. When the unit deployed to Helmand in Afghanistan, it left 100 men who were unfit for operations back in its barracks. The unit left behind another 200 men to man the barracks in England. From personal experience, I know that that will involve compassionate cases, people on career courses and, in fairness, people who are recruiting. A unit of 500 therefore went into the field 200 strong. The unit had 100 reinforcements from the Territorial Army—God bless them—and 200 reinforcements from the rest of the regular Army.

If I asked the Ministers present what the tour gap would be for the 2nd Battalion the Yorkshire Regiment, they would probably come up with a reasonable figure of, let us say, 12 to 15 months. What they will not know—this is no fault of theirs; I hold them both in the highest regard—is where those regular reinforcements will have come from or what the tour gap will be for those guys who are now out in Afghanistan, because it will not be recorded. I understand that. The point is that those young men who are out there as regular Army reinforcements with the 2nd Yorkshires will get almost no tour gap at all. I shall describe the effect of that later. What is also interesting—I ask the Ministers please to listen to this—is that there are no battle casualty replacements beyond the pool of 17-year-olds who will turn 18 while the battalion is in Afghanistan.

When the commanding officer of my former regiment, which used to be called the Worcestershire and Sherwood Foresters before it too was scrapped, started to suffer fatalities among—mercifully in a way, although that is quite the wrong word to use—private soldiers, lance-corporals and the like, he went to the system and asked for battle casualty replacements. The system said "You have some 17-year-olds who are about to turn 18. Physician, heal thyself." He was able to do that. Then senior officers began to be killed. He went to the system and said "Could I please have a new sergeant and a new captain?" I mentioned Captain Sean Dolan the other day at Prime Minister's questions.

The answer came back, "You have 17-year-olds who are about to turn into 18-year-olds." The commanding officer said "No, I do not want recruits out of the depot aged 18 who, God bless them, are only combat infantrymen. I want hardened, trained sergeants, captains and the like." The system said to him "Phone a friend. Get hold of your mates. See whether they can provide another captain or another sergeant for you." He ended up robbing Peter to pay Paul—going to units in theatre asking BCRs to come forward. If my grandfather had experienced that at Passchendaele or my father at Anzio, they would have laughed at a system that had reached such a parlous state.

What are the implications? As I have said, on paper the Army is 3,000 under strength. As for the reality—which I illustrated with the figures for the 2nd Battalion the Yorkshire Regiment—I reckon that about 10,000 men are under strength or combat-ineffective. On top of that, the Government in their wisdom have decided to disband three battalions. I say to Ministers "Please, let us get this sorted out." If there are more battalions than there is manpower to man them, let us get rid of the very expensive senior non-commissioned officers and the like. Let us try to rationalise the manpower that we have. Let us turn that into effective units. But we cannot have cadre-strength units deploying on operations when they are not ready to fight.

We should roundly condemn the efforts of the Ministry of Defence, and in particular the recruiting agencies in the Army. Recruiting is clearly but an adjunct of the manpower equation, which consists first of recruiting, secondly of retention of recruits during training, and thirdly of retention of serving soldiers. The MOD must get a grip. It is perfectly possible to recruit. Believe me, I have done it, in a recruiting famine—admittedly a few years ago, but when the economy was in considerably better shape than it is now. Along with others, I produced a battalion that was 100 men over strength. It can be done. I will not listen to the excuses of—with respect—the Scots in particular, who say that it is impossible to recruit in Scotland. If it can be done in Nottinghamshire and Derbyshire to the level that we achieved, it can be done anywhere. At present, with the armed forces' reputations never higher and with the economy, sadly, rapidly deteriorating and all the implications that that carries, it is a disgrace that we see no recruiting parties in the constituency of Newark. There are kids there who are gagging to get into uniform.

How does this impinge on the military covenant? I think it is very simple. If you do not have enough blokes, the nasty bits come around too often, and when the nasty bits come around too often, the blokes leave. They do not leave because they want to; 'er indoors makes them go because she is fed up with living in Tidworth, which has rotten schools and rotten housing and is a million miles from Nottingham where mam is with the kids, back in St Ann's or somewhere similar. She cannot see her family, and her husband is not just away, but away and in serious danger. Then he comes back and cannot go on his career course because there is no time. That means that he cannot be promoted and cannot pick up the extra money that would come with promotion, and she exercises not unreasonable but wholly irresistible pressure on that young man to leave the Army. As a result, we lose the services of the most important, best-trained and most gallant men whom we have.

Undermanning, which is a function of poor recruiting, poor retention in training and appalling retention in the units, is crippling the Army. I urge Ministers to consider the position carefully, and to put their personal energy and determination into rattling the cages of incompetents in the MOD and trying to sort this out before it becomes a real crisis.

3.54 pm

Mr. Kevan Jones (North Durham) (Lab): I welcome the debate. I recognise the hard work done by the Royal British Legion, but I agree with my hon. Friend the Member for Falkirk (Mr. Joyce) that some of its campaigning has been a bit misguided. I think that it has been hijacked by certain people for particular reasons. The hon. Member for Westbury (Dr. Murrison), who referred not to honouring the covenant but to the broken covenant, is a good example. However, the most disgraceful example that I have seen in the past few weeks is the pamphlet produced by the hon. Member for North Essex (Mr. Jenkin), published by Conservative Way Forward, which uses the poppy symbol as a way of blaming the Government for people's deaths in both Afghanistan and Iraq.

I wish to say a few words about the campaign and military issues to do with medical services. I am proud to be a member of the Defence Committee, and I can

[Mr. Kevan Jones]

say that in the inquiry that we are currently undertaking we are coming across only good news stories on the military services. On armed forces compensation, the criticisms coming from the Conservative Front Bench would have more credibility if they had also been made when the relevant Bill was passing through the House, but they were not. I served on the Committee that dealt with that Bill, and I can say that it was this Government who brought in lump sum payments for the first time for wounded servicemen and women. All the hon. Member for Aldershot (Mr. Howarth) did in terms of the report to the Defence Committee was oppose my suggestion that unmarried partners should benefit from pension entitlements, arguing that it would be immoral for them to receive such payments.

I know time is short, but I wish finally to comment on the point made by my hon. Friend the Member for Falkirk about the former defence chiefs. I agree with everything he said, and let me add that I think some of them have selective memory loss. On the "Today" programme on 14 July 2004, Lord Boyce said about my right hon. Friend the Prime Minister when he was Chancellor:

> "I was encouraged that the Chancellor in his statement recognised the work that had been done by the Armed Forces who"

have had a

> "particularly busy few years and by matching the good increase that happened in spending around 2002 with a similar sort of increase this time. So that is certainly to be welcomed".

That is in stark contrast to what Lord Boyce is saying now. Former defence chiefs sometimes need to be reminded of their earlier comments when they make statements in the other place.

3.56 pm

Willie Rennie (Dunfermline and West Fife) (LD): I am sorry that the hon. Member for North Durham (Mr. Jones), who is a colleague of mine on the Defence Committee, did not have more time in which to speak; I am sure he will make up for that at future meetings of the Committee. I also want to apologise for not being present for the start of the debate. I missed what I am sure was an excellent speech by my hon. Friend the Member for North Devon (Nick Harvey). I noticed, however, that the Chamber calmed down once he had left; things were much more stable when he went for his cup of tea.

I did not hear an apology from the Conservative Front Bench for the Annington Homes fiasco during their contribution, which was churlish and full of animosity. I presume there was slight embarrassment that the Conservatives did not call this debate, as they perhaps did not regard it as being of sufficient priority to the Conservative party. I am pleased that we have called it, however, because it is an important debate.

Dr. Murrison: Where was the hon. Gentleman on the last occasion we had an opportunity in Government time to debate defence, which was on 16 October, and where was he on Monday night when we discussed the mental health problems that face our servicemen and veterans?

Willie Rennie: I can provide a full copy of my diary if the hon. Gentleman wishes, as I am sure he would follow it in great detail. I attend the vast majority of defence debates in this House. I take a great interest in defence matters, as I do on the Defence Committee itself, so I will take no lessons from the Conservative party on these issues.

There have been some great contributions. The hon. Member for Midlothian (Mr. Hamilton) talked about his experience with the Glencorse barracks and the families and education and housing. My hon. Friend the Member for Portsmouth, South (Mr. Hancock) talked about his experience on the Defence Committee and passionately discussed housing, which has been a common theme of many contributions. The hon. Member for Blackpool, South (Mr. Marsden) talked about priority treatment for veterans and the Veterans Agency. The hon. Member for Mid-Norfolk (Mr. Simpson) made a good speech in which he talked about the breakdown in the relationship between Ministers and the senior military. The hon. Member for Falkirk (Mr. Joyce) talked about his expertise in the military and the contribution that people such as he can make to the House. He also criticised the former defence chiefs. The hon. Member for Newark (Patrick Mercer) talked about the Army being under strength by about 10,000 and said that we needed to recruit more people to the armed forces. The hon. Member for North Durham (Mr. Jones) talked about the British Legion campaign in slightly less glowing terms than others have done.

I want to pay tribute to the armed forces, which are among the best in the world—indeed, they may be the best. Two of my constituents, Captain John McDermid and Private Scott Kennedy, have passed away within the past year, and I am sure that the whole House will join me in sending our thoughts to their families and friends.

There is no doubt that the armed forces are overstretched. The National Audit Office says that they are 7,000 below strength. We have heard another figure of 10,000 in relation to the Army alone. For at least the past five years the forces have been operating above predicted deployment levels. One in six soldiers is on missions more frequently than the harmony guidelines rule. Health professionals are the worst hit, and reservists fill far too many of the posts. The situation is so desperate that the forces are scraping around for volunteers. Military bandsmen have been put on standby to replace infantry battalions, and storemen from Faslane are being asked to do front-line duties in Iraq. Even Members of the Scottish Parliament are now in the frame for action. I am sure that the right hon. Member for Banff and Buchan (Mr. Salmond) will soon be asked to serve next. I am sure that he sees himself as the He-Man on the front line in Helmand, but, as happens in this House, he will probably not even bother to turn up.

John Barrett (Edinburgh, West) (LD): One positive thing that is going through the Scottish Parliament in relation to today's debate is the Member's Bill to allow the fatal accident inquiries for Scottish soldiers who have died abroad to be followed through in Scotland. If the Bill were passed, it would reduce the wait involved, both for Scottish families and families south of the border. Does my hon. Friend agree that this is a sensible way forward?

Willie Rennie: My hon. Friend raises a good point, and I was going to address that subject later. I would like to hear an update from the Minister about the negotiations that have taken place with the Scottish Administration about the possibility of managing to get the Bill through so that we can relieve some of the pressure down south.

The planning assumptions set up in the strategic defence review in 1998 did not allow for two major deployments, such as those in Iraq and Afghanistan, at the same time. With overstretch and under-resourcing we are in danger of abusing the good will of the armed forces and turning the can-do ethos into a make-do muddle. I am sure that many people agree that the Iraq campaign was a huge mistake in its own right. It had not only a massive impact on our reputation on the world stage, but an equally damaging effect on our armed forces because of overstretch. The number of attacks reduced in Basra as a result of our withdrawal from Basra palace, and the logical conclusion is to withdraw from Iraq altogether. We also have serious doubts about 2,500 personnel being the minimum force protection that is required from next spring. The Minister for the Armed Forces referred earlier in the year to a figure of 5,000. I have two questions for that Minister. Are we relying on the Iraqi forces to protect our forces in Iraq? Will the Minister respond to claims that a deal has been done with General Mohan to free Mahdi army prisoners in return for relief from the attacks on our forces?

Numerous hon. Members have talked about housing. Despite protestations from the Government, single living accommodation is in a terrible state—almost half that accommodation is of the lowest standard—and many officers and soldiers say that it is a significant reason for leaving the armed forces. The Armed Forces Pay Review Body has highlighted the reduction of about 14,000 bed spaces in respect of modernisation between 2001 and 2007. During that time, the MOD delivered £2.2 billion in asset sales to the Treasury. The Government say that they have a 10-year plan, but the former Deputy Prime Minister had a 10-year plan for transportation, and look what happened to that.

Health has come up as an issue on numerous occasions. The Defence Committee has conducted an inquiry into that very subject. The difficulties are not at the acute end, but at the mental health and primary care ends. The issue is about the relationship between primary care and secondary care, but the one between primary care and the military is also the difficulty. We should perhaps look more into creating those links so that people do not fall between the stools.

We have covered the issue of inquests, and I would like to see some progress in Scottish authorities being allowed to take part in dealing with casualties from theatre.

What are the consequences of difficulties with housing, health and overstretch? The result is that personnel are disillusioned. In a recent survey, three in 10 said that they did not feel valued, and one in four said that morale was very low or low. There are retention difficulties, with 5,000 leaving the forces in the last year, one in five wanting to quit and more than half thinking about it. Crucially, a third blamed overstretch.

The Government have made grand pronouncements about the care of our armed forces. They feign disgust when the generals speak out and they say that the armed forces, unlike Oliver, never ask for more. But there is a mismatch between the rhetoric and the reality—on shoddy housing, overstretched personnel, bereaved families waiting for months and years for answers, over-used and faulty equipment, and paltry compensation. The Government are failing our armed forces who, for their gallantry, bravery and selflessness in service of their country, deserve so much more. I urge the Government to concede that those dangerous radicals, the Royal British Legion, may have a point and honour the covenant.

4.6 pm

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): It has been an interesting debate. I pay tribute to our armed forces and their families. Our armed forces are the most outstanding in the world, and I have had the privilege of meeting them in both Iraq and Afghanistan, as well as around the UK and elsewhere. They never cease to amaze and impress me with what they do. Their families give them so much support and deal with so many issues.

I also thank those who support our armed forces. The debate today relates to the Royal British Legion covenant, but I include ex-service organisations and charities, such as the Soldiers, Sailors, Airmen and Families Association—SSAFA—which has done an outstanding job in terms of housing at Headley Court and helping to refurbish the accommodation at Selly Oak. The Royal British Legion has done an excellent job in working with the homeless, with the Compass project and with ex-service personnel in prison. Other wonderful organisations include BLESMA, the British Limbless Ex-Service Men's Association, which does an amazing job with amputees. There are also the regimental organisations and benevolent funds, as well as the families federations, which provide tremendous support for service families.

We are now doing more than ever to support our armed forces and their families, and I shall set out some of the reasons why I believe that to be the case. I welcome the Royal British Legion campaign, because it gives us the chance to have this debate and set out what more we are doing, and can do, and to listen to what other people are saying. I spoke with the Royal British Legion before it announced the campaign, and it recognised that the Government have done a lot to improve the support for and treatment of our armed forces and their families. It recognises that, but of course it wants us to do more. We have announced a Command Paper, which will consider what we have done and what we need to do across the Ministry of Defence, the armed forces and the whole Government to support our armed forces and their families. I welcome that, because it will do a lot of good work. It will report in the spring and provide an important benchmark for what we have done and what we will do in the future.

Mr. John Baron (Billericay) (Con): I agree with much of what the Minister has said, but does he not think that it is an absolute shambles that the recent Public Accounts Committee report highlighted the fact that almost half of all forces accommodation is substandard and that there are significant gaps in the Ministry's understanding of its estate and where priority funding is needed? What will the Minister do about that?

Derek Twigg: I welcome the report, but I do not accept the facts. More than 90 per cent. of the accommodation is in category 1 or 2. We recognise the legacy of underfunding over decades, and I hope that Opposition Members accept their responsibility for that, not least in terms of the Annington Homes deal and how it has affected accommodation. We continue to give priority to the worst accommodation. We are doing a great deal to improve provision, with 12,000 family homes improved over the past six years and £5 billion to be spent over the next 10 years. We have made significant inroads into the problems that we inherited and for which we, of course, now have responsibility.

I turn now to the speeches made in the debate. My hon. Friend the Member for Midlothian (Mr. Hamilton) made some interesting comments about education, as did the hon. Member for Westbury (Dr. Murrison). I can assure the House that we continue to work hard with our colleagues in the education Departments on the problems in the system.

My hon. Friend the Member for Midlothian also made an important point about the challenge that we face in distributing the resources, and he set out the difficulties that the shortage of skills causes to our efforts to improve housing. He also noted the role of local connections in prioritising service personnel. He mentioned Scottish issues, and I have had discussions with those members of the Scottish Executive and the Welsh Assembly who have responsibility for armed services matters.

Mr. David Hamilton: I realise that time is very short, but will my hon. Friend also have discussions with the Royal British Legion Scotland, which is separate from the UK Royal British Legion and is, of course, older?

Derek Twigg: I have good relationships with Poppyscotland and am happy to have discussions with that organisation at any time.

The hon. Member for Portsmouth, South (Mr. Hancock) made some interesting points about the Select Committee hearing on the subject of health, at which a good debate took place. He also mentioned the Annington Homes deal, which has caused so many problems for housing. However, he agreed that the military covenant was not broken and that the Government were doing a significant amount to improve things.

The hon. Member for Mid-Norfolk (Mr. Simpson) is a distinguished historian with great experience of the staff college. I always listen to his views, although I am not sure that I agree with his picture of the relationship between chiefs and Ministers. I see the chiefs all the time and, although they are robust and put forward their views, we have a good relationship. If he goes back to Alanbrooke's diaries and their account of his relationship with Churchill or of the relationship that the Adjutant-General had with Churchill, he will know that history offers us some interesting guidelines. I always listen to what the hon. Gentleman has to say, but I do not accept his analysis on this occasion.

My hon. Friend the Member for Falkirk (Mr. Joyce) raised some important issues about spending on the armed forces and the public debate that we should have. My hon. Friend the Member for Blackpool, South (Mr. Marsden) made an important point about our service and support for veterans. It is important that we support them, whether with mental health care or priority treatment—the Secretary of State for Health and I have recently announced some initiatives on both points. Veterans are important, so I hope that all hon. Members will support Veterans' day on 27 June next year. We are getting ever more support for that day from local councils and local authorities.

The hon. Member for Newark (Patrick Mercer), of course, has great experience. I always listen carefully to his comments and he made some important points. However, he will know that significant work is also going on in recruitment and retention. I recently met the chief personnel officers for each service to talk about that and we continue to do lots of things to deal with the problem.

My hon. Friend the Member for North Durham (Mr. Jones) made a point about compensation. The 2005 scheme introduced a lump sum and a guaranteed income payment scheme. It is important that we recognise that, to the most seriously injured, that can amount to significant amounts of money—hundreds of thousands of pounds during a person's lifetime.

The Liberal Democrats have produced a document called "Our Nation's Duty" that fails to recognise the progress made by the Government or the measures that we have taken. I do not think that they understand the many things that we are doing.

The hon. Member for North Devon (Nick Harvey) spoke specifically about health. I visit injured service personnel in Selly Oak, Headley Court and elsewhere, and I also speak to their families. Overwhelmingly, they believe that the Government are providing excellent support and medical care. As for aftercare, Headley Court provides excellent rehabilitation, and good progress has been made elsewhere with welfare for families. To improve matters further, we introduced in October a pathway of care that allows us to follow injured personnel from the time they are evacuated back home right through to their eventual discharge. The pathway of care will be rigorously monitored, by Ministers and by those involved at the centre. I believe that that important step forward will ensure even better standards of service and care for our armed forces personnel.

The hon. Member for North Devon talked about establishing military wards in the medical defence units around the country. Those units have military medical people who work with NHS staff, but we do not believe that they should have solely military wards, as usually there are not more than two wards full of military patients at any one time. However, it is true that we are developing a military-managed ward at Selly Oak. Lots of military people are involved in that, including a military ward master, and we are also in discussions about how the new hospital building there can be used to improve the care that we offer.

In the minute that remains, I want to remind the House about all the things that the Government have done for the armed forces. For example, their pay rise this year was the best in the public sector, amounting to more than 9 per cent. for the most junior ranks. Military personnel also get an operational bonus worth £2,320, as well as council tax relief. The welfare package for our armed forces is the best that we have ever had, and the facilities at Headley Court and Selly Oak offer greatly improved support and welfare provision for casualties and their families. I believe that our armed forces now get the best medical care that has ever been provided.

As I said earlier, significant amounts of money have been spent on housing for our armed forces, and much progress has been made in that regard. Other improvements include the modernisation of terms and conditions for the Gurkhas, which has been welcomed by many people. In addition, we have taken many initiatives to improve recruitment and retention in the services.

I welcome this debate. The Government are doing a great deal to improve the support extended to our armed forces and their families. I believe that it has never been better, but we continue to look at what more we can do, and I am sure that the Command Paper that my right hon. Friend the Secretary of State has announced will lead to further improvements in the future.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 71, Noes 302.

Division No. 27] [4.16 pm

AYES

Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Mr. Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clegg, Mr. Nick
Davey, Mr. Edward
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Hemming, John
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
McCrea, Dr. William
Moore, Mr. Michael
Oaten, Mr. Mark
Öpik, Lembit
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rowen, Paul
Russell, Bob
Short, rh Clare
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Sammy
Younger-Ross, Richard

Tellers for the Ayes:
Dan Rogerson and
Mr. Adrian Sanders

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael
(Worcester)
Foster, Michael Jabez
(Hastings and Rye)
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret

Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Alison Seabeck and
Ms Diana R. Johnson

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House recognises the commitment, bravery and professionalism of the armed forces in all their operations; further recognises the enormous contribution made by service families to the effectiveness of the UK's armed forces and the debt owed by the nation to veterans; welcomes the major programme of improvements made by the Government to support all of these groups since 1997, including in the areas of medical support and improvement and replacement of sub-standard service accommodation; further welcomes the role played by ex-service organisations and other charities in contributing to the support of these groups and the Government's commitment to working closely with such bodies to improve support in the future; and commends the Government's decision to produce a cross-cutting Command Paper setting out the progress already achieved in this area and what more will be done in the future.

Northern Rock

Mr. Deputy Speaker (Sir Michael Lord): I must tell the House that Mr. Speaker has selected the amendment in the name of the Prime Minister and that there is a 10-minute limit on Back-Bench speeches.

4.29 pm

Dr. Vincent Cable (Twickenham) (LD): I beg to move,

> That this House notes with dismay that the Chancellor of the Exchequer has presided over the first run on a UK bank for over one hundred years and that the taxpayer has now made approximately £30 billion worth of loans to Northern Rock without the Government providing evidence of either the exact amount or the security of the loan, over and above deposit guarantees; further notes that the current search for a private purchaser for Northern Rock faces enormous difficulties in the face of the high costs of credit and the conflicting interests of different groups of shareholders; applauds the important role played by the Northern Rock Foundation in the North East and regrets the potentially negative consequences for jobs in the North East should Northern Rock go into administration; further regrets that the Chancellor chose not to recognise the importance of Northern Rock as a large employer in the North East amongst his principles for assessing Northern Rock proposals; calls upon the Financial Services Authority to suspend trading of shares in Northern Rock immediately to prevent insider trading; and calls upon the Government to introduce legislation to allow for Northern Rock to be placed immediately in temporary public ownership as the only action that will guarantee the loans are paid back in full as soon as possible at the lowest risk to taxpayers.

We are very much in the middle of a banking crisis that is without precedent— certainly in my lifetime and probably for most of the last century. I was always brought up to believe that banking runs occur in far-off countries and that the lender of last resort is an obscure academic construction that appears in monetary textbooks, not the real world. However, I suspect that when the dust has settled on the Northern Rock affair, future generations will think of it much as people think of the South Sea bubble: a major historical event when a speculative bubble in financial markets burst. If one were to be pessimistic by thinking that the crisis will continue unabated, one could well seek a historical precedent in the Creditanstalt in Austria in 1931. Those events had major financial and economic repercussions.

We are dealing with enormous sums: approximately £30 billion of Government loan, which excludes the deposit guarantees. To try to help Members get their heads around that, I point out that 30 billion is a "3" with 10 noughts. It is impossible to be precise about how much money is involved because the Government do not give the necessary information, and neither does the Bank of England. The information can only be inferred from the Bank's balance sheet, but the figure is approximately of that order of magnitude.

To put the amount in context so that we can make sense of such an enormous number, I simply equate it to a little bit less than the annual defence budget. Given that it is a one-off payment, we are talking about six Iraq wars. Such a sum would build a high-speed train route from London to Edinburgh, and enough money would be left to build another one to Glasgow. The sum is the equivalent of about £5 million for every Northern Rock employee.

That leads me to a key aspect of the argument: we are talking about not just money, but people. I have been to Newcastle several times in the past year to talk about its economic situation. Northern Rock is a major employer in north-east England. I understand that it has about 3,500 employees in Newcastle and about 1,500 in Sunderland. In addition to that employment, it has been an important part of the repositioning of the north-east of England from manufacturing towards financial services.

In addition, the Northern Rock Foundation makes an important charitable contribution. It has spent some £175 million over 10 years, but it does not just spend a lot of money. As I discovered when I walked along Hadrian's Wall last summer, an enormous number of local charities rely on the foundation for obtaining charitable money quickly and effectively. They receive the money from the foundation much more effectively than they do from the national lottery.

Before Ministers stand up and pose as angels of the north, it would be worth while for them and their Back-Bench colleagues—*[Interruption.]* I entirely understand why Labour Back Benchers will quite reasonably wish to speak up on behalf of their constituents and their constituents' jobs. If I was in their position, I would do exactly the same. However, if they have not already done so, I urge them to study the document on the principles for assessing Northern Rock proposals, which is the basis for the Government's sale. Those who have studied it will realise that it says absolutely nothing—not one word or one syllable—about either employment in north-east England or the Northern Rock Foundation.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): I have studied that document, too. Has the hon. Gentleman looked closely at the last part of it, which refers to a long-term recapitalisation of the business and a sound business plan in the medium term? Will he bear it in mind that that statement of principles was put out on behalf of not only the Government, but the Bank of England and the Financial Services Authority, which can hardly deal with the matters about which he is thinking?

Dr. Cable: If the hon. Gentleman is basing his hopes on a sound business plan from the private bidders, I fear that he may well be disappointed. I will come to the details of the private bids in a moment.

A couple of days ago, I had a long session with one of the bidders, who had just come back from a tour of Northern Rock's north-east facilities. He said that he did not know whether to laugh or cry. He had been round the call centre, where every single employee was reading books and magazines because there was no work to do. Any Labour Member who imagines that some of the vulture investors who are part of Mr. Branson's consortium have the slightest interest in preserving that employment are labouring under an illusion. I do not know whether they realise, for example, that one of his largest investors is a gentleman called Wilbur Ross, who made billions of pounds in the United States smashing trade unions and ripping away company pension schemes. My starting point is that the employees of Northern Rock and the people of north-east England deserve rather better than that, which is what is likely to come out of the private bidding process.

Mr. Kevan Jones (North Durham) (Lab): Is the hon. Gentleman at one with the leader of the Liberal Democrats on Newcastle city council who, along with the majority of elected politicians in the north-east, supports efforts to get a solution for Northern Rock? Is he not in danger today, with the emotive language that he uses, of running down the company and making matters worse?

Dr. Cable: I am a strong fan of the leader of Newcastle city council. The Liberal Democrat group runs that city admirably. He has been endeavouring on an all-party basis both to honour the 100-year history of the bank and to find a solution to it. I have discussed it with him several times. He understands that the options are running out and that the solution that I am proposing—temporary public ownership—will probably serve the interests of the people who live in that region better than the hopeful venture being promoted by the Government.

Mr. Jones: One thing that Councillor John Shipley is not doing is talking the bank down or trying to talk the region down. He is trying to work with other people to support it. The Liberal Democrat council even gave the freedom of the city to Northern Rock a few weeks ago.

Dr. Cable: The council did that on an all-party basis and was right to do so, given the bank's past contribution. I have never run down the employees of the bank, with the exception of the chief executive, whose role in all this I will come to shortly.

What amazes me is that had we not initiated this Opposition day debate, there would have been no discussion of this massive problem before Christmas. The Conservatives have had three Opposition days and have chosen not to take the subject on any of those occasions. They seemed to think it was more important to discuss a £950 gift to a third division Scottish politician called Wendy than to have a debate on what has happened to £30 billion of taxpayers' money.

I have been trying to establish what the leader of the Conservative party thinks about the matter. He followed me on the "Today" programme yesterday and denounced nationalisation as a matter of principle, but as far as I could establish, and no doubt we will hear more in a few minutes, his only solution seemed to be to follow the Government and keep an open cheque book.

Mr. David Drew (Stroud) (Lab/Co-op): I, for one, congratulate the hon. Gentleman on calling the debate. Did he consider another option—the possibility of remutualising Northern Rock? Some of us feel strongly that one of the great problems of demutualisation is that it was predictable that some companies, because of the nature of the marketplace in which they operate, would overstretch themselves. Is it not time we looked at the strength of mutuals again?

Dr. Cable: That is a helpful intervention, with which I have a great deal of sympathy. I used to be involved in an organisation called Save Our Building Societies, which campaigned against the original demutualisation of Northern Rock for precisely that reason. After a period of temporary public ownership, that might be one of the options that appear viable, but rushing into a sale now would preclude it. The hon. Gentleman is absolutely right.

Steve Webb (Northavon) (LD): Reflecting on the constructive contribution of the official Opposition, what conclusions has my hon. Friend drawn from the fact that they had no opinion on the Order Paper and tabled no amendment to the debate?

Dr. Cable: My colleague reinforces my point. I am sure we shall hear what the official Opposition have to say. I imagine, by default, that they want to see the company put into administration, its total closure, and the wiping out of the company without any opportunity for it to be relaunched. I assume that that is their default position, but no doubt we will hear from them.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): I understand theoretically some of the points that the hon. Gentleman is making, and I have read the motion. Is he aware that Northern Rock employees do not want nationalisation? If it is difficult now to sell the business as a going concern, they wonder how much more difficult it will be to do so in future. The small shareholders, some of whom I see in the Gallery, oppose nationalisation because they would lose any value that they have.

Dr. Cable: I will come to those points. However, I should say in passing that there is an issue with the small shareholders; I understand that. Many of them, of course, acquired their shares free on demutualisation. Many of the people who call themselves "small investors" are not small; I believe that Lord Stevens is a large investor who bought into the company quite recently in order to make a killing from it. The key shareholders, of course, are the hedge funds, whose role I shall deal with shortly.

Mr. John Redwood (Wokingham) (Con): As one who has set out a positive alternative if the bids do not produce a satisfactory result, may I ask the hon. Gentleman how he can believe in the idiocy that taking on more than £100 billion of Northern Rock's liabilities—all its liabilities—would be good for the taxpayer? Why should the taxpayer have to pick up the bill for any losses, redundancy payments and other problems that nationalisation would bring?

Dr. Cable: Taxpayers are already committed to the hilt; they have already advanced staggering sums. In normal circumstances, I would not dream of recommending my solution, but we are in an extremity—and in an extremity we have to look at the options. The one that I propose is the least undesirable; I shall come to the reasons for that.

Mr. Peter Atkinson (Hexham) (Con): The hon. Gentleman has been dreadfully dismissive of the small shareholders, of whom there are 140,000. Yes, some acquired their shares on demutualisation and have been counting them as their savings for retirement. Many others, including people in my constituency, bought small quantities of shares because they wanted to support a good local business. They are the ones who will suffer. They should not be dismissed and put out of the picture.

Dr. Cable: I am not being in the least dismissive of small shareholders. However, when people buy shares, they take a risk. They understand that; it is in the nature of investing in risk equity. Is the hon. Gentleman seriously suggesting that taxpayers' money should rank behind risk investment by private individuals in the stock market? That is the implication of his remarks.

Mr. Atkinson *rose—*

Dr. Cable: May I move on? I have been generous with interventions.

At this point, it will be useful to summarise why the Liberal Democrats have taken the position we have. I shall then develop in more detail comments on the financing of the company as it now is and discuss the options.

Of course it would be desirable for us to start from somewhere else. The financial shock that hit the markets a few months ago was unprecedented and unexpected, but that does not excuse the Financial Services Authority, the regulator, which should surely have spotted the high risk associated with Northern Rock's reckless expansion. None the less, the event was unexpected. We reacted to it by supporting what the Government did to stop the run—that is, guarantee deposits. That was a sensible reaction.

At the time, I opposed an open-ended unconditional loan to bail out the banks. Ever since the Government made that decision, they have been digging a deeper and deeper hole for themselves. There is nothing wrong in principle with exploring the idea of trying to get a private bidder, and that is why I do not fundamentally quarrel with some of the interventions from Labour Members. However, it has become painfully and increasingly apparent that, with the money markets now largely closed, it is simply impossible for any of the bidders, however credible or reputable, to raise the amount required, including the money necessary to guarantee the full repayment of the taxpayer. That is our position now.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): Presumably, the hon. Gentleman has done some calculations on his proposal for nationalisation. What is his best estimate of the potential liability for the taxpayer in the next two to five years?

Dr. Cable: The taxpayer is already heavily implicated in the company. Its liabilities include the deposits, which are already guaranteed, and they would include the loans that are rolled over but are not being rolled over at present because the market will not do it. In practice, the taxpayer is 100 per cent. liable for all these liabilities as they come due. If it was a nationalised company, temporarily, the Government would have some control over the process instead of being an entirely passive spectator. Let me retrace the steps to some of the key decisions that the Government have made. In September, there was a key decision to provide what was said at the time to be unlimited support. The question that needs to be asked—it relates to the intervention by the hon. Member for Houghton and Washington, East (Mr. Kemp)—is what estimate was made of the likely deposit withdrawal and the extent to which commercial loans would have to be replaced? At about that time, Lloyds bank made a proposal that involved £30 billion-worth of Government loans. The Chancellor, as we understand from the records, personally rejected that option on the grounds that the commitment of Government money was too large. We now know that £30 billion has already been advanced in Government loans without resolving the problem, so somebody made a horrendous miscalculation about the sums that were going to be involved. We need to know how that happened.

A second basic question that I have been asking throughout is: why was this loan advanced in a completely open-ended and unconditional way? The Government, as the major creditor, could have said, "We will advance credit to the bank subject to the removal of the chief executive and others who were directly responsible for getting the bank into trouble in the first place." Any major creditor could reasonably insist on conditions, but the Government said, as did the Chancellor, rather pathetically, on several occasions in the Chamber, "We can't do anything about this because we don't own the bank." We now have an extraordinary situation whereby the chief executive of the bank, Mr. Applegarth, who drove the bank on to the rocks, is still sitting in the chief executive's chair, driving the company and managing the Government's taxpayers' money. It is an extraordinary situation for the Government to have allowed to arise.

Another fundamental question that I have asked is: when the loan had been advanced, what security did the Treasury or the Bank of England, or both, insist on in return for taxpayers' money? One would have thought that that was a reasonable, prudent provision to request. I have been writing letters to the Governor of the Bank of England to ask him what security was available, and he has written me a letter that is so shameless that even Sir Humphrey would have been embarrassed to sign it. There are no figures in it, nor an explanation of what happened to the rolled-up interest on the loan. It is completely and utterly uninformative and, frankly, borders on the impertinent, because the Bank of England and its Governor are saying that elected representatives have no right to know what happens to public money. That is a completely unacceptable position.

We can infer—we do not know it because it has never been confirmed—that roughly half the funding of the bank loan is secured pretty solidly against the assets of the bank, but the other half is not. Most of it is secured against what are called the free assets of the bank; in other words, it takes a secondary role to that of secured creditors such as Granite, which accounts for about half of the balance sheet. It is argued that that is fine because the money is secured against the bank's mortgage book. However, it has emerged that among the assets of the bank against which the Government loan is secured are £8 billion-worth of unsecured loans. It appears never to have occurred to anybody in the Treasury or the Bank of England to ask how secure those assets were.

The confidence of the Government and the Bank of England was based upon a belief that Northern Rock had a very good repayment record from its borrowers.

[Dr. Cable]

On paper, that looks perfectly true. However, people have now started digging—notably Panmure Gordon, one of the brokers, which has established that a lot of bad debt is actually being hidden because the Northern Rock bank did not employ the sort of rigorous practices employed in other institutions such as Alliance and Leicester and Bradford and Bingley. However, whether or not that is the case, there was an underlying optimism, all based on the strength of the mortgage book and on the value of the domestic property that underlies those assets.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): My hon. Friend has already highlighted the executive failings. Before he leaves the assessment of the debt, will he say whether he agrees that a major cause of the failure of Northern Rock was insufficient corporate governance by non-executives, and the failure of the audit committee and the risk committee to dig properly into these matters?

Dr. Cable: The directors who were directly responsible for those functions have now been removed, but that was well into the process.

Mr. Philip Dunne (Ludlow) (Con): In relation to the risk committee and the audit committee, is the hon. Gentleman in a position to confirm whether the individual who had that responsibility was none other than Sir Derek Wanless?

Dr. Cable: I believe that that was indeed the case.

The optimism that I described rests upon the fact that the assets of the bank primarily consist of mortgages, many of which were obtained at the peak of the housing market in the earlier part of this year. There was an extraordinary explosion of growth in the Northern Rock bank—it grew by about 55 per cent. and took 20 per cent. of the market in the earlier part of this year. That growth was not backed up by deposits, and it accounted for the fact that the bank had to borrow heavily in the wholesale market, which then seized up. As I told the House a few weeks ago, it was possible then to go to the Northern Rock bank and obtain a mortgage of about 125 per cent. of the value of a property, and of four to five times a person's income. That was the sort of frenzied borrowing that took place at the peak of the market. I checked yesterday, and those loans are still on offer. This is a supposedly responsible lender in the middle of a banking crisis, dependent on loans from the Government.

Mr. Kevan Jones: I am very interested in what the hon. Gentleman is doing. He is continuing to run down the bank, which I do not think is a very clever thing to do. Anyone who has a mortgage with the Northern Rock bank or who has applied for one—in the north-east, traditionally—will know that it was a damned hard building society, then bank, to get a loan from. The traditional, old loans are quite secure.

Dr. Cable: The hon. Gentleman will have to explain how the bank managed to expand its business so rapidly in the earlier part of this year.

The question I have been asking throughout is a "what if" question. We do not know the answer to it in reality, but it is an important question. What if the property market were to crash? I ask that because for some years before I came to this House, I worked in the oil industry. The question that was always asked by my prudent managers was, "What if the oil price were to fall drastically? What would then happen to our profits and our company?" Because they were always asking that question, they always hedged, diversified and prepared, and they saved themselves in difficult periods. What is amazing about this episode is that nobody at the top of the bank, nobody in the Financial Services Authority and none of the clever double-firsts in the Treasury ever seemed to have asked this basic question: what would happen to the value of these mortgages and of domestic property if the market fell heavily?

Rob Marris (Wolverhampton, South-West) (Lab): May I turn the hon. Gentleman's "what if" question around? What would happen if there were such a property crash where there had been a nationalisation of Northern Rock? How many more nationalisations of banking institutions would the Liberal Democrats want in that "what if" disaster scenario?

Dr. Cable: We are dealing with a very specific case where the Government have already advanced £30 billion, and I am concerned with how that enormous investment by the taxpayer should be protected.

To pursue the argument—I am just raising a possibility; we do not know that it will happen, and we hope that it will not—let us suppose that property prices fall very substantially. Twice in my working lifetime, domestic property prices have fallen in real terms by more than 25 per cent. It could happen again. We have been at the peak of an unprecedented bubble, the largest in the developed world. If it were to happen again, the obvious question is: what would happen to the value of the security that the Government have been given by the bank?

One person understood this all along: Mr. Applegarth, the chief executive. He is still there, sitting in his chair at the bank. He understood all this and, at the peak of the market, he sold his shares. He was urging the small investors—to whom the hon. Member for Hexham (Mr. Atkinson) has rightly drawn our attention—to invest in his bank while he was selling up. We all know what happened. He invested his money in a very large country estate and bought a fleet of sports cars for his wife. That person is still at his desk at the Northern Rock bank; he is directing its affairs and is responsible for taxpayers' money. That is one of the unbelievable aspects of how this whole affair has been managed.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): My hon. Friend is underlining the tragedy of Northern Rock. Traditionally, it was based on the relatively limited lending base of the borrowers in the region, which placed a constraint on what it could do, and on the housing market in the region, which is nothing like as volatile as that in the rest of the country, and into which Adam Applegarth took Northern Rock in his reckless expansion of the company.

Dr. Cable: My right hon. Friend is absolutely right. His intervention underlines why, historically speaking, Northern Rock was so highly regarded, particularly as a building society but later also as a bank. The chief executive exploited that reputation to run it into a very dangerous situation. I am not blaming him alone, however. The regulators should have seen the dangers.

I want to turn now to the different options available, and to where things stand in regard to the proposed private sale. There seem to be two serious offers, although others come and go. There is the offer by Branson, and that by Luqman Arnold's Olivant group. They differ in that Branson's consortium wants a takeover and is willing to trade on the basis of the Virgin reputation as a way of attracting new deposits, while Luqman Arnold is not interested in a takeover. He wants a minority stake and to run the bank properly while restoring it to its purpose as a responsible bank.

In normal circumstances, I am sure that either of those proposals would be an interesting proposal to be treated with the market. This is an extraordinary situation, however, and it is becoming increasingly apparent that neither of those two, or any of the others, will be remotely able to raise the amount of money required to take over the bank as a going concern and give the Treasury the guarantees that it requires. Of course, they say that they can guarantee the first half, the £15 billion. What they cannot guarantee is the next £15 billion. That will be the difficult bit, because that is where the lack of security is.

Nor should we be under any illusions about the motives of the people who are bidding. I have never met Mr. Branson, but he seems to be an engaging character who has had some successful ventures. He is, however, a front man for a consortium of hedge funds and private equity operators whose aim is to make a killing. He is proposing to invest about £200 million in a company whose gross assets will be more than £100 billion, and he will be hoping to sell it on in due course and make a large capital gain that, as he is registered overseas, might well not attract UK taxation. So we are not talking about Mother Theresa here; we are talking about some very tough short-term financial investors.

As I talk about the bidders, it is coming back to me that the Government have made a bad mistake—even within their own policy—in giving preferential status to one of the bidders, the Branson group. The other bidders have discovered, as they enter the early stages of due diligence, that the Government—and the taxpayer—are paying the legal fees of the Branson consortium but they are not willing to pay theirs. Understandably, they are aware that they are not operating on a level playing field.

I do not want to run Mr. Branson down, but it is a matter of fact—of which I was previously unaware—that he has a criminal record for tax evasion. There is therefore good reason to believe that the people who have to stump up the money for his consortium may well not regard him as a fit and proper person to run a public company, let alone a bank, and let alone as someone responsible for £30 billion-worth of taxpayers' money. So there are real questions about whether this private bid is ever going to succeed.

In the context of the private bid, one must also ask—this goes back to the question about private shareholders—

Mr. Henderson: I am not taking sides regarding which bidder is best—*[Interruption.]* I am not. However, does the hon. Gentleman not recognise that someone with the reputation of Sir Brian Pitman—the ex-chairman and chief executive of Lloyds bank, who is part of the Virgin Group's bid—is serious about what they are doing?

Dr. Cable: I am sure that Sir Brian Pitman is absolutely admirable. He is a 75-year-old ex-banker with a formidable history and I am sure that he is serious. I have talked to some of those associated with both the people in question, and they are serious people. That is not the problem—the problem is how they are going to raise, in markets that are now almost closed, the staggering amounts of money that they need to realise their bid. That is the issue—it is not about their character or their history in running banks.

The private sale is becoming increasingly problematic, so we effectively have two options. One is to put the bank into administration, which is probably what everybody would regard as the "nuclear" option. Under those circumstances, not only are the shareholders in the north-east wiped out, but there are question marks over what happens even to the guarantee deposit. It would take a long time for those guarantees to be fed back to the depositors, and there would be continuing questions about deposits in other banks because of the difficulties. How would the public loan be retrieved? It would be retrieved either by a very slow run-off as the mortgages were redeemed, or through a fire sale in what is currently a very depressed market. Administration thus presents enormous problems, which is why we Liberal Democrats are suggesting that a period of temporary nationalisation is the least worst of the three basic options available: nationalisation, private sale or administration.

Of course we recognise that, in practice, civil servants are not the best people to run a commercial bank. Professional management would have to be hired, and they would have to get to the root of what is going on at this bank. It might prove to be a very sound institution deep down, with a lot of very good assets; we do not know. However, if, having dug down, those managers establish that that is so, they can re-launch it in future years and there would be a substantial upside for the taxpayer that would not result from a private sale. On the other hand, they might discover that it is a can of worms—we do not know—and if so there will have to be a gradual run-off in what is a very difficult environment.

Jim Cousins: Is the hon. Gentleman's purpose in advocating nationalisation to enable Northern Rock to survive as a growing business—a locally based, locally headquartered company in the north-east, of which we have very few in the growing sectors—or simply to put the Government at the head of the queue of creditors to get their money out?

Dr. Cable: I very much hope that the first proposition is indeed realised. That would be the most desirable outcome, and it might well be possible to

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achieve it. Frankly, however, the Government have an overriding responsibility to protect the interests of taxpayers, who have put £30 billion into this bank already. These objectives are not fundamentally incompatible, but it will be difficult. There are precedents for such an approach succeeding, although not many. In the United States, the Federal Reserve took over Continental Illinois bank, which was in a comparable position. It was not done for ideological reasons; I think that a Republican Administration were in power. The bank was turned round and eventually sold, so there are precedents.

Mr. Dunne: I recognise that the hon. Gentleman's preference, like ours, is for a private sale. However, in advancing his case for nationalisation over administration, what analysis has he done that leads him to suggest that taxpayers, whom he has just identified as the primary beneficiaries of either of these routes, would do better out of nationalisation—given that they would potentially be taking on all £110 billion of liabilities, plus redundancy liabilities that we have not even calculated yet—than administration, through which they are currently exposed only to £30 billion-worth of liabilities?

Dr. Cable: None of us knows exactly what would happen because none of us has been exposed to the details of the bank's position. The Bank of England will not tell us and we do not have the resources to carry out the due diligence on the company. There is, of course, the possibility, which I have just alluded to, of temporary nationalisation—as has happened historically and as occurred with a small national mortgage bank that was temporarily nationalised and resold very successfully under the Major Government. It was a small enterprise, but it did happen. The whole point is to provide some legal and institutional stability in the hope that, in the end, not only will the taxpayer be repaid but any increase in the value of the bank from its currently depressed market conditions will accrue to the taxpayer. That is the objective.

Mr. Redwood: Why does the hon. Gentleman ignore the fourth option, which involves the Bank of England acting as a tough but fair bank manager with repayment schedules and proper cash-flow monitoring of the bank's progress? It would then be for the bank to work out whether it needed to put itself into a kind of voluntary run-off and do it in an orderly fashion or whether it could actually grow the business. Would that not be the best option?

Dr. Cable: It is partly what the Bank of England has been trying to do, albeit not very successfully. If the Bank of England were good at running a commercial bank as opposed to a central bank, it would have taken some elementary precautions like insisting on conditions for its loan, but it has shown itself to be incapable of doing that.

My final point—I am conscious that other Members on both sides wish to speak—is that speed is of the essence. We are now in the position where the patient is in the operating theatre and, frankly, bleeding to death while the Government surgeon-general is sitting around saying that we need a full health check before anything can be done. That is not very sensible. Urgent action is required. I hope that I have made the case that public ownership is the least worst option. If it is, the Government will need to act very quickly and will need enabling legislation in order to do so. It is better that it is done now than in two months' time when the position may be infinitely worse.

Dr. Roberta Blackman-Woods (City of Durham) (Lab) *rose*—

Dr. Cable: I am rounding off.

Finally, there is a strong additional reason for wanting to park the problem of Northern Rock in the solution that I have described. There well be much worse to come. We may well have had the first of a tsunami wave with others behind it. We know what they are; we can see them. One of the problems that arises is that other banks—even very sound banks—are running into serious difficulties in raising capital from the markets. We know that there may well be a very nasty shock in the domestic property market. It is absolutely essential that the Treasury and the Bank of England are totally focused on how to deal with these emerging problems. At the moment, they are totally preoccupied with the problem of the Northern Rock bank, getting the wider problem of the emerging financial crisis completely out of perspective. The Government have failed so far, so they should pick themselves up from the floor, act quickly, take the bank into temporary public ownership and, we hope, limit some of the damage that has already been caused.

5.8 pm

The Economic Secretary to the Treasury (Kitty Ussher): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"endorses the approach taken by the Government to Northern Rock to maintain financial stability, protect the interests of taxpayers and safeguard the position of depositors; welcomes the publication of a statement of principles underpinning the Government's response to proposals received by Northern Rock with regard to its future; acknowledges that Northern Rock has announced that it is continuing to explore a range of options as part of its strategic review; recognises that the Government continues to keep all options open in relation to the future of Northern Rock; and notes the Chancellor's assurance that he will keep the House fully informed of further developments with regard to Northern Rock."

I am looking forward to the debate and particularly to the contributions of Back Benchers, but I thought it might be helpful if I made three main points. I shall talk about: first, the wider context to the events of the last few months; secondly, the current position with Northern Rock; and, thirdly, any lessons to be learned for the future from what has happened.

The UK entered the recent period of turbulence in the global financial markets in a very strong position. The UK economy has seen 61 consecutive quarters of growth—the longest period since records began—and we are growing faster than any other G7 nation this year and will continue to grow next year.

Several hon. Members *rose*—

Kitty Ussher: I will give way later, but not now.

The banking sector also entered this period on the back of a period of rapid growth with well capitalised balance sheets. Both the UK economy and the banking sector remain strong.

However, this has clearly been a testing time. The disruption to global financial markets that we have seen over recent months was triggered by problems in the US sub-prime mortgage market, as hon. Members will know. When the markets realised the extent of the problems in that market, they began to have doubts about the value of other asset-backed securities. Uncertainty about which institutions were exposed and to what extent meant that institutions lent to each other at much higher rates or not at all. The result was a large reduction of money in the market generally and an increase in the cost of borrowing not just for those with exposure to sub-prime mortgages, but for all institutions.

In those circumstances, Northern Rock faced specific difficulties, not because of direct exposure to sub-prime mortgages, but because its business model depended on securing substantial sums from the securitisation and money markets. In September, it became clear that Northern Rock was having severe difficulty in accessing the financing that it needed and that it had no option but to go to the Bank of England. On 13 September, the Chancellor, on the advice of the Governor and the chairman of the Financial Services Authority, authorised the Bank to provide special liquidity support.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Was not the real cause of Northern Rock's problem that whereas the Federal Reserve and the European Central Bank were pumping liquidity into the world's banking systems, the Bank of England sat back and did nothing, refusing in September to pump in any such liquidity?

Kitty Ussher: The hon. Gentleman is entitled to his view, but most people feel that the real problem with Northern Rock was that its business model was over-dependent on accessing and rolling over finance from the wholesale markets, which then dried up.

Stewart Hosie (Dundee, East) (SNP): The Economic Secretary's answer to the hon. Member for Cotswold (Mr. Clifton-Brown) was not wholly satisfactory. On 14 August, the Bank of England became aware of the credit crunch hitting Northern Rock. A month down the line, on 12 or 13 September, the Bank was still refusing to pump in extra cash, which is what the European Central Bank and the Fed did. Does the Bank of England not have some responsibility for the lack of liquidity in the market during that period, when everybody knew that the credit crunch was affecting Northern Rock?

Kitty Ussher: I refer the hon. Gentleman to the reply that I have just given. He is entitled to his view, but I believe that something fundamental about Northern Rock's business model led to its difficulties.

We could, of course, have let Northern Rock go down, but that would have had serious consequences for the banking system, including likely knock-on effects for other financial institutions, in which confidence would inevitably have been shaken, and for the British economy.

Dr. Blackman-Woods: Does my hon. Friend accept that the comments made by the hon. Member for Twickenham (Dr. Cable), in running down the bank, will make it much more difficult to secure a viable future through the private sector for it?

Kitty Ussher: I am grateful for my hon. Friend's intervention. I have been slightly confused by the Liberal Democrats' comments throughout. On the one hand, they seem to want a sale to the private sector; on the other, they seem to want to nationalise Northern Rock in order to get that sale. However, I shall come to that shortly.

Mr. Dunne: Will the Economic Secretary give way?

Kitty Ussher: I should like to make a little more progress, and then I shall give way.

Our intervention was widely supported at the time, including by some who now imply that it was the wrong thing to do or who are now not prepared to accept the consequences of that support. All the lending that the Bank of England has provided is secured against assets held by Northern Rock, which include high-quality mortgages and securities. The Bank is the senior secured creditor. The Financial Services Authority has said, and continues to say, that Northern Rock's main asset base—its mortgage book—is strong and sound.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Will the Economic Secretary confirm that all the lending is secured by a fixed charge over such assets?

Kitty Ussher: All the lending is secured against the assets of Northern Rock. That is my understanding of the situation.

Mr. Alan Beith (Berwick-upon-Tweed) (LD) *rose*—

Kitty Ussher: I should like to make a little more progress, and then I shall give way to the right hon. Gentleman.

We have also ensured that the Bank's lending is subject to the normal conditions and controls for a creditor of our scale, to ensure that our interests are protected. In return for that facility, Northern Rock has agreed a number of controls, including not declaring, making or paying any dividend without the prior consent of the Bank of England, and not making any substantial changes to the nature of its business.

Mr. Dunne: Will the Economic Secretary confirm that the security package includes Northern Rock's seller's share in Granite—in which case it ranks behind all the mortgages used by Granite to secure its securitisation issues?

Kitty Ussher: The assets against which the Bank of England's loan to Northern Rock was secured include a number of assets on its balance sheet, which themselves include the portion of Granite that is on the balance sheet.

Mr. Beith: Has the hon. Lady seen a list of the assets, including the Granite element, which totals the full amount of the current Government-Bank of England lending to Northern Rock?

Kitty Ussher: I do not think it appropriate to embark on a running commentary on the number of assets on Northern Rock's balance sheet in relation to the lending that has already taken place. The crucial point is that the Bank of England's lending is secured against Northern Rock's assets.

Mr. Kevan Jones: Does the Economic Secretary agree that one of the priorities now is to ensure that Northern Rock continues to trade and keeps going at this crucial time? Contributions such as that of the hon. Member for Twickenham (Dr. Cable), which resembled Private Frazer's "We're all doomed", do not help either Northern Rock itself or the large number of people in the north-east who depend on it for their employment.

Kitty Ussher: I entirely agree. As I listened to the contribution of the hon. Member for Twickenham, it occurred to me occasionally that he might want a disaster scenario because it would make a better headline.

Susan Kramer (Richmond Park) (LD): Will the Economic Secretary give way?

Kitty Ussher: I will press on, because I have some important points to make, but I will give way to the hon. Lady in due course. What I say next may answer the points that have been made so far.

I know that there has been much interest in the amount of support that the Bank is giving. The Bank publishes its balance sheet every week, but—this is important—in common with other central banks it does not provide details of any specific operations, because it believes that doing so would undermine its ability to provide such support. A running commentary on any operations would be likely to have adverse effects that none of us would want—even, I hope, Liberal Democrat Members.

As the House will know, as well as the support provided by the Bank of England there are the Government's arrangements to guarantee all deposits in Northern Rock, which will remain in place during the current instability in the financial markets. There is therefore no need for savers to take their money out, although of course they are free to do so. Those arguments were necessary, as I hope everyone will agree, and the guarantee will not be removed without proper notice being given to depositors. The Treasury has made it clear that that notice will be not less than three months.

Together, the ongoing support of the Bank of England and the guarantee of deposits have given Northern Rock an opportunity to consider its strategic options for the future, and it has asked for expressions of interest in purchasing the business. As a major creditor the Government clearly have a direct interest in that process, and will therefore have to agree to any proposals for the future of Northern Rock. On 19 November, my right hon. Friend the Chancellor set out clearly to the House the principles against which such proposals will be considered.

First, we must consider the interests of the taxpayer. The money that has been lent must be returned at an appropriate time and rate, and the Government will consider all options with a view to reaching the best outcome for the public purse. Secondly, we want to protect depositors. It is essential for us to do all that we can both to safeguard their interests and to maintain the service given to them. Thirdly, we will of course maintain wider financial stability. As the Chancellor has said, any outcome must also meet European Union state aid rules. The Government are happy to talk to any bidder that satisfies those principles.

As Members will know, Northern Rock is taking part in accelerated discussions with the Virgin consortium, but says that it is not ruling out other bidders or alternative options. In answer to a specific question from the hon. Member for Twickenham, I can say that the Government are not paying the fees of the Virgin group. I understand that there is an arrangement between Virgin and the company to pay fees up to a specified cap.

The hon. Gentleman argued that rather than those options being pursued, Northern Rock should be nationalised. As the Chancellor has made clear, we do not intend to rule any option in or out at this stage. But when the hon. Gentleman speaks of public ownership of Northern Rock as a temporary solution, he means that we should use it to try to find a private buyer, and that is exactly what we are already trying to do. As the Chancellor has said, we will of course continue to keep the House informed of developments.

Mr. John Grogan (Selby) (Lab): Will my hon. Friend give way?

Kitty Ussher: I promised to give way to the hon. Member for Richmond Park (Susan Kramer). I will give way to my hon. Friend after that.

Susan Kramer: I thank the hon. Lady for giving way. Her last statement was almost too much. Does she not understand that in order to realise the full value of an asset, the timing and circumstances of the sale must be looked at, and that a fire sale is not the structure that realises the maximum for the taxpayer?

Kitty Ussher: I am not sure that we can make our position any clearer than we already have: we have set out three principles, the first of which is to protect the interests of the taxpayer and the public purse. That is what we seek to do, and we will look at all options in order to do it, as well as the other interests that we have expressed.

Mr. Grogan: But have the Government set a deadline to secure a private sale, given that the liabilities are mounting day by day? If that does not prove possible, would not temporary nationalisation be preferable to administration? Have civil servants prepared a draft Bill to take through the House, should that be necessary?

Kitty Ussher: No, there is no specific deadline. We have asked the company to come back to us by February 2008; that was the date in the original discussions when we agreed to provide the stabilisation period. In response to the second part of my hon. Friend's question, we have not ruled any options in and we have not ruled any options out at this stage. As the Chancellor has said, we will continue to keep the House informed of developments.

Let me turn to the third part of my contribution. It is clear that there are lessons to be learned from what has happened over the past few months. As we look to learn them, we will be guided by three important principles. First, the primary responsibility for managing risk is and must remain with individual financial institutions and investors. Secondly, that needs to be backed up by strong national regulatory frameworks. Thirdly, regulatory authorities in different countries need to co-operate effectively across borders. With those principles in mind, my right hon. Friend the Chancellor has set out our proposals for the international response to what has clearly been an international set of events, and we will continue to work closely on them with the financial stability forum and the International Monetary Fund.

There are also lessons to learn at home, particularly from the fact that the existing financial services compensation scheme clearly did not have the desired effect of giving consumers the confidence they needed. As a first step, the Financial Services Authority has increased the coverage of the scheme to 100 per cent. of deposits up to £35,000, but over the past few months we have been asking whether further reforms to the scheme are required.

Julia Goldsworthy: The hon. Lady spoke earlier of the fact that the Treasury still had all options on the table. Can she confirm then that Treasury officials have drafted a Bill for the nationalisation of the bank, on the basis that that might happen?

Kitty Ussher: All options are on the table, and we are therefore taking appropriate actions to ensure that they remain on the table.

I was talking about depositor protection. We have also been exploring possible options to reduce both the likelihood of bank failure and the impact of failure if it does nevertheless occur. Our initial discussion period on those issues closed last week, but we intend to consult on more detailed proposals in the new year and we will legislate on that matter next year, if necessary.

At home and abroad, we are learning the lessons of what has clearly been a testing time. We are also continuing to work to resolve the situation with regard to Northern Rock. As I have said today, we have set out clear principles that proposals for Northern Rock's future must meet, and we will continue to assess proposals against them so that we can protect the interests of taxpayers and depositors and the wider financial stability. I have also said once again today that we are not ruling any option in or out at this stage, but that our preference is for the company to find a private buyer.

Let me conclude by saying that I believe that providing support for Northern Rock was the right decision, and that it is right to see that support through.

Mr. Dunne: Will the hon. Lady give way?

Kitty Ussher: No, as I am coming to the end of my speech. The alternative of letting Northern Rock go down would have had severe consequences for the banking sector and the wider economy.

We have taken the appropriate action. I was glad that it had cross-party support at the beginning, and I hope there will be cross-party support for the Government amendment this evening.

5.24 pm

Mr. Mark Hoban (Fareham) (Con): After all the headlines and hype of the last few days, I had expected the leader of the Liberal Democrats, the hon. Member for Twickenham (Dr. Cable), to come to the House with a clear, well thought-through plan demonstrating what the purpose of nationalisation was, what would happen when the bank was in state control and what his exit strategy would be. However, we heard little to demonstrate that the nationalisation idea was anything more than a gimmicky headline—but we should, of course, have expected that from the Liberal Democrats. The hon. Gentleman is known to be nimble on his feet, but given today's performance, if he ever achieves his ambition of appearing on "Strictly Come Dancing" he would be all sequins and no steps.

I also expected more of the Economic Secretary to the Treasury. Unless the Chancellor makes a statement before Christmas, this debate is all that we shall hear about the Government's position on Northern Rock, which is why we welcome the fact that the Liberal Democrats have secured an Opposition day debate on this issue. We had expected to be given a more substantive statement from the Chancellor before Christmas.

My speech will make it clear that a number of unanswered questions remain. We know that taxpayers, Northern Rock's employees, the creditors, the bidders and the shareholders face uncertainty. The Economic Secretary's brief speech did little to clear up that uncertainty. She said little about how the sale was progressing. Equally worryingly, she said little about the Government's plans in the event that the sale falls through.

Let me be clear that Conservatives want a rapid private sale of Northern Rock. We want a sale that safeguards the interests of taxpayers, maintains financial stability, protects consumers and, we hope, results in a bank with a viable future preserving valuable jobs in the north-east. Although we all share those aims, we cannot forget that we are in this crisis because of the Government's incompetence and mismanagement. Every problem in this crisis has been compounded by their dither and delay, and by confusion and chaos. Everyone accepts that the problems in the credit market are a global phenomenon, yet only this Government appear to be mired in a crisis of the magnitude of Northern Rock.

Mr. Beith: The hon. Gentleman laudably expresses a wish that we should have a solution to this involving a private sale that satisfies all the concerns, including those of the north-east. Is he therefore arguing that the taxpayer should forgo some part of either the £30 billion that has been lent or the interest on that sum in order to make the sale possible if it proves difficult?

Mr. Hoban: The Government, and the Chancellor when he gave evidence to the Treasury Committee—I shall come back to the words that he used in a minute—made it clear that we would get the money back. That is the commitment that the Chancellor made, and we want to hold him to account on satisfying it.

The problem has become so bad that nationalisation is being discussed as a potential solution, but Labour Members should be in no doubt that nationalisation would be a signal of the Government's failure, rather than a triumph. Nationalisation has become an option only because of the litany of mistakes made by the Government: they failed to prepare for the problems in the banking sector, despite the advice of the Governor and the Financial Services Authority; they lacked leadership when the Bank became the lender of last resort; they were indecisive over guarantees; and they mishandled the sale process. We must ask ourselves every step of the way what the Government have done to get us into this mess.

The first mistake that the Government made occurred when the Prime Minister—the then Chancellor—rejected the clear and unequivocal advice of the Governor of the Bank of England that reforms were needed to the rules on early intervention and deposit protection. During an interview with Robert Peston on last month's "File on 4" the Governor said:

> "I think we would have pressed even harder than we did, and we did press pretty hard, to inject some urgency into the need for new legislation to enable there to be a procedure for pre-emptive intervention in banks and the reform of deposit insurance."

The Chairman of the FSA said in his evidence to the Treasury Committee,

> "we conducted a particular exercise with the Treasury and the Bank in February we had identified in particular the problem of having a means of dealing with banking problems and the need to deal with the question of bank insolvency problems and also the question of the compensation arrangements."

Will the Minister tell the House what was done in response to that? Did the then Chancellor and the Secretary of State for Children, Schools and Families, who was then Economic Secretary to the Treasury, ignore that advice because it undermined the arrangements that they had put in place? Is this another example of the then Chancellor ignoring advice from outside his inner circle of advisers? When it became apparent that the credit markets were becoming tighter, what actions did the Treasury team take to examine the problems highlighted in February's exercise? Did they simply stand by and wait for things to happen?

Rob Marris: May I caution the hon. Gentleman and the Conservatives to be a little careful about being wise after the event and backing away from the wholehearted support that they initially gave to the Government's position on Northern Rock?

Today's *Financial Times* made clear the Conservatives' position in the middle of August. It said:

> "The Conservatives' economic competitiveness policy group…advocated….'We see no need to continue to regulate the provision of mortgage finance, as it is the lending institutions rather than the client taking the risk'".

That policy commission's findings were widely praised by the Leader of the Opposition and by the shadow Chancellor, so I caution the hon. Member for Fareham (Mr. Hoban) about resiling from his party's former position and trying to be wise after the event. I urge him instead to continue the wholehearted support for the Government's policy. That is what leadership is about; it is not about ducking out when the going gets tough.

Mr. Hoban: The hon. Gentleman misunderstands the nature of the report. It was a series of proposals for the party, not party policy. The party is on record at the time as saying that, so it is disingenuous of the hon. Gentleman to make that intervention.

Rob Marris: Will the hon. Gentleman give way, as he called me disingenuous?

Mr. Hoban: I have to give way.

Rob Marris: I am grateful to the hon. Gentleman. Perhaps we can clarify the situation. The shadow Chancellor, in a speech to the Conservative party conference on 1 October, said:

> "The report from John Redwood and Simon Wolfson sets out how we liberate our economy to compete with the likes of India and China.
>
> Cut government regulation, planning restriction and red tape."

On 20 August on the ITV1 lunchtime news, the Leader of the Opposition said that the report was the most impressive and comprehensive analysis of the state of the British economy produced by any political party and a "great report." Is that not the case?

Mr. Hoban: At the time, we said clearly that it was a great analysis, but that we did not accept the policy recommendations it contained. My right hon. Friend the Member for Wokingham (Mr. Redwood) and Simon Wolfson made a good analysis of some of the problems in the British economy and they made some proposals for policy prescriptions. We did not adopt those prescriptions at the time, so they were not Conservative party policy.

Let me return to the situation before the run on Northern Rock. It is ironic, in retrospect, that the private sector solution on offer at the time, from Lloyds, was vetoed by the Government because it would have involved the Bank lending money to Lloyds to enable it to take over Northern Rock. However, here we are now, a few weeks later, in a situation in which taxpayers' money will continue to fund Northern Rock once a private sector solution has been found.

The Chancellor rejected that bid for Northern Rock, and the wholesale market dried up, so he then agreed that facilities should be provided to Northern Rock with the Bank of England acting as lender of last resort. The leak of the announcement of that policy on 13 September and the formal announcement the following day triggered the queues of retail depositors. Those queues were a clear signal to the authorities that retail depositors did not understand what lender of last resort meant. An action that should have reassured depositors panicked them.

It is important to remember, in the context of London being a global financial services centre, that pictures of those queues were beamed right across the world. It could have a long-term impact on London's standing if prompt and decisive action is not taken following this crisis.

The strength of our regulatory regime has hitherto been one of the key factors in London's success and is one of the arguments that we have been able to use to counter the pressure for greater regulation from Europe. It is vital that this crisis does not erode that standing, and the Treasury will need to work much harder in Europe to defend the strengths of the regulatory regime and put in place the right reforms to make regulatory supervision more effective.

It is also important to recognise—and why the Chancellor's competence is now in question—that while the prospect of a run had been contemplated by the tripartite authorities, no plans were in place to reassure depositors. It appears that no plans were discussed until the queues formed. We know that over the weekend of 15 and 16 September there were discussions about whether retail deposits should be guaranteed to reassure depositors and stem the flow of withdrawals. Again, we know that the Governor had recommended that on the Sunday morning, but again the Government dithered. Remarkably, even on the very day that the guarantee was announced, No. 10 briefed at lunchtime that no guarantee would be on offer. By 6 o'clock, the Chancellor had decided to go for it. Again, there was dither and delay while an indecisive Chancellor made up his mind.

As the Governor made clear in his interview with Robert Peston, the scope of the guarantee was not clear when it was announced. It was only in a radio interview the following day that the Chancellor announced that he had extended the guarantee beyond retail depositors. Having given the guarantee, the Government are now consulting on reform of the existing arrangements to find a permanent solution to the problem. If only they had responded to the advice of the Governor and the chairman of the Financial Services Authority earlier in the year. Even the reform and consultation have caused confusion. When the plans were first announced in *The Times*, the Chancellor appeared to suggest that he wanted a scheme to cover deposits of up to £100,000. Now he is trying to back away from that figure, which shows yet more confusion in trying to deal with the aftermath of the problem.

We must also recognise that any guarantee scheme is a backstop, and is not a substitute for improving the regulatory framework—whether through the tripartite arrangements or the monitoring of solvency. We need to ensure that the regulatory system seeks to reduce the risk of future banking failure rather than focusing on merely mitigating any failure.

There are various estimates of the amount that the authorities have lent by acting as a lender of last resort. The hon. Member for Twickenham suggested £30 billion, while other reports have suggested £24 billion. The Minister said that she will not provide a running commentary on that analysis. However, can she clarify for the House and the taxpayer the assets on which the loans are secured? We understand that one tranche—about £11 billion—is secured on high quality mortgages of the type that the Bank would accept as collateral from other institutions. A second tranche has been secured on a more general pool of assets that the Bank of England would not have accepted as collateral had the Treasury not stepped in.

Will the Minister confirm that there are two separate lines of credit—one from the Bank and the other, in effect, from the Treasury? How are those reflected in the Government's accounts? The House and the taxpayer demand answers to those questions. We demand clarity where there is currently uncertainty and confusion from the Government.

We know—albeit only through the media and the Chancellor's later acknowledgment rather than because he said anything up front—that an element of the interest over and above the commercial rate has been rolled up, and that Northern Rock owes that to the Treasury. Will the Minister tell us how much that loan stands at? The taxpayer demands the answer to that question.

When the money was lent, the Government were certain that it would be repaid and that the taxpayer was not at risk. The Chancellor said in his evidence to the Treasury Committee that the facility

> "is secured against collateral. We have also guaranteed various deposits…we fully expect to…get that money back."

If that was not clear enough, the Prime Minister said to the House of Commons on 14 November:

> "Secured lending is being given in relation to Northern Rock, guaranteed against Northern Rock assets."—[*Official Report*, 14 November 2007; Vol. 467, c. 660.]

However, in his statement on 19 November, in words that were echoed by the Economic Secretary this afternoon, the Chancellor appeared to back away from the original cast-iron guarantee. He said:

> "Substantial sums have been lent, and that money has to be repaid at an appropriate time and rate. The Government will consider proposals with a view to reaching the best outcome for the public purse."—[*Official Report*, 19 November 2007; Vol. 467, c. 961.]

That is certainly not the guarantee we were given when he gave evidence to the Select Committee.

We might ask why the Chancellor is much less certain now than he was in September. It is clear from the press reports about the two remaining bidders for Northern Rock that although a tranche of the debt will be repaid immediately the balance will be repaid over time. The timing and likelihood of repayment will depend on the new management's ability to rebuild Northern Rock's depositor base and their management of the mortgage book.

Even the sale process has been mired in chaos and confusion. Last week, to keep the pressure up on the bidders, the Treasury was briefing the papers that the Conservatives had agreed to co-operate on the nationalisation of Northern Rock. That is to do with a Bill that is apparently not even drafted by the Treasury. However, we were not approached on that. We even wrote to the Chancellor of the Exchequer in September to offer to facilitate the passage of a deposit insurance scheme and the reform of the banking and insolvency rules. We have not had a response from the Chancellor of the Exchequer to that offer of support.

Kitty Ussher: Will the hon. Gentleman give way?

Mr. Hoban: I shall happily give way. Perhaps the Minister will reply to some of the questions about the assets that are being used as a charge to cover the Government lending.

Kitty Ussher: On that specific point, the hon. Gentleman is aware, I am sure, that we are consulting on the reform of depositor protection and the insolvency regime for banks. That was, of course, mentioned in the Queen's Speech. Will he confirm now that he will therefore support any legislation that we introduce?

Mr. Hoban: We said that we would facilitate the passage of any such legislation, but we need to see it first so that we can examine the reforms that the Government propose. We have offered that support but have had no response from the Government.

I turn now to the speech by the hon. Member for Twickenham, who is no longer in his place. He did not say how he thinks that nationalisation would improve matters, or set out what he would do if the situation did not improve. He did not detail what his strategy for running the bank would be. Would he want to continue to accept deposits? In his speech today and in previous statements to the House and the media, he has been very critical of Northern Rock's lending practices. Would he want to continue to offer mortgages, or would he close down that aspect of the business? How would he manage the existing book of mortgages? Would he encourage prepayments, or would he roll them over? How much more money is he prepared to put at risk while Northern Rock is in public ownership? Those are all decisions that a nationalised bank and its owners—the Government—would need to make. The hon. Gentleman failed to set out a clear strategy for a nationalised bank. He may have captured the headline, but there is no substance to the soundbite.

One thing is crystal clear—it would be a sign of monumental failure if the Government had to nationalise Northern Rock. It would be an indictment of their handling of the crisis. At every step of the way, the Government have demonstrated incompetence. The Prime Minister ignored the proposal from the Governor of the Bank of England for reforming the rules to do with early intervention and deposit insurance. The Chancellor failed to display leadership by not having a plan when it was announced that the Bank of England was acting as the lender of last resort. That triggered a run on Northern Rock, in the face of which the Chancellor dithered over whether to issue a guarantee to depositors. Even when he announced it, he was not sure what he had guaranteed. The Chancellor and his aides have sown doubt and confusion in the sale process, keeping options open but remaining unclear about what they are.

Rob Marris: I infer from the hon. Gentleman's remarks that his party thinks that nationalisation is not the way forward. Would he then be content for Northern Rock to go into administration, if the other options, including nationalisation, were ruled out or were not available?

Mr. Hoban: The problem is that we have not heard from the Minister—and certainly not from the Liberal Democrats—what the strategy should be if the private sale fails. We want there to be a proper discussion of the options, but we would much prefer a private sale to go ahead. It is time for the Government to be much more straightforward about the options that they are considering, so that we can debate them. The House needs to know the Government's plan B if a private sale does not go ahead.

No one is proposing nationalisation as a solution in itself. It can be no more than the route to a final solution, and anyone who proposes it must be able to justify the solution that it leads to.

Julia Goldsworthy: The Minister said that all options were on the table. Is the hon. Gentleman ruling out nationalisation at any point, even if it turned out to be the least bad consequence of the crisis?

Mr. Hoban: I repeat what I have just said—that nationalisation would be a monumental failure and an indictment of Government policy. It would demonstrate that the Government had failed to manage the crisis properly. We hope that there will be a proper sale that will protect consumers and the interests of taxpayers. We hope that such a sale will maintain the financial stability of the system and preserve Northern Rock as a viable bank in the future.

No one expected flashes of brilliance from the Chancellor, but the Northern Rock crisis—let alone the loss of half the nation's personal details and the botched capital gains tax reforms—has destroyed even his reputation as a safe pair of hands. For the past few months, we have seen dither and delay, chaos and confusion. When we needed leadership, he was indecisive; when we needed clarity, he was confused; when we need certainty about the safety of taxpayers' money, he is full of caveats and qualifications.

Today's motion from the Liberals shows that all we have is a headline in need of a story, an argument that is half made, and an opportunism masked as the wisdom of age. We expect that from the Liberal party, but we expect something more from the Government. We are entitled to expect them to protect taxpayers' money, and to know how much of that money is at risk. Above all, we are entitled to know how the Government plan to resolve the crisis. Today, we are left with plenty of questions, but we are still to hear any answers.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the House that there is a 10-minute limit on Back-Bench speeches.

5.44 pm

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): I start with the Conservatives. The idea that if Northern Rock is forced into administration or nationalisation it is a disaster for Government policy is absolute nonsense. That is not an indictment of the Government; it is a market failure in dealing with a difficult situation in our banking system arising from weaknesses and faults in the American banking system. Let us have none of that nonsense. A real problem has to be faced and I expect a sensible Opposition to look at the real options and back them rather than try to make party politics from them.

On the subject of party politics, the Liberal motion says that

> "the Chancellor chose not to recognise the importance of Northern Rock as a large employer in the North East amongst his principles for assessing Northern Rock proposals".

That is absolute nonsense—absolute rubbish—and it is not just me saying that, as I shall explain.

If the Chancellor had no commitment to the future of Northern Rock and its vital importance to the economy of the north-east and jobs in the north-east, why did he give the depositors guarantees and almost immediately provide loans for the business to keep it from insolvency in September?

John Thurso: Will the hon. Gentleman give way?

Mr. Henderson: In a little while, but not at the moment—

Steve Webb: The hon. Gentleman has no answers.

Mr. Henderson: I have plenty of answers and the north-east has plenty of answers for the Liberal Democrats—I can tell them that. I want to engage with one of those answers.

The Newcastle *Journal* is not renowned in the north-east as an anti-Liberal Democrat newspaper. On 20 November, which was well into the events at Northern Rock, the editorial in the *Journal*—speaking on behalf of the people of the north-east—said:

> "The Chancellor did the right thing yesterday when he held true to the path he has taken since crisis engulfed Northern Rock...Of course, the approach has its critics, such as the hapless Vince Cable, whose posturing must embarrass Lib Dems in the region."

It is unfortunate that the hon. Member for Twickenham (Dr. Cable) is not in the Chamber to hear what people in the north-east are saying. The hon. Gentleman has a reasonably measured demeanour when he is in the Chamber, but when he is in a television or radio studio, we hear headline grabbing, without a thought about his party's policy, or the consequences of his posturing not only on his party's effectiveness in the north-east but, far more important, on the economy of the north-east and the people of the north-east.

The hon. Gentleman gave the game away during the debate, so it will be interesting to read the *Official Report* tomorrow—I took a note. He was asked what would happen after nationalisation and his reply was clear. He said that none of us knows exactly what would happen. That was this afternoon—not half an hour ago. If the Liberal Democrats want to be a serious political party with serious policies about serious issues affecting people in the north-east, what sort of strategy is that? Not today, but at least four or five weeks ago, the Liberal Democrats made the main plank of their policy that the business should be nationalised. When the hon. Gentleman said that, he knew he could grab a cheap headline, as the Conservative spokesman pointed out, yet he does not know what the consequences of his policy would be.

Mr. Beith: In that case, the hon. Gentleman owes it to the House to set out what will happen with a private bidder—presumably he knows. Will a private bidder be able to repay the whole of the debt to the taxpayer and ensure the continuance of a Newcastle-based Northern Rock?

Mr. Henderson: That is an important question. I am not evading it and I shall come back to it.

The hon. Member for Twickenham said he did not know what would happen if Northern Rock was nationalised. The small shareholders who live in my constituency know what would happen: they would be left high and dry with nothing, and there would be interminable arguments in the House about whether the Government should subsidise someone who takes a risk. I have spoken regularly to the workpeople over the past three months. The workpeople in my constituency—4,000 of them—want the business to be kept intact and they believe that the best way of doing so is to find a private bidder to work in partnership with the Government to secure the business's future.

The other issue about nationalisation, rather than administration, is that under administration the Government's liability and the taxpayers' liability might be about £25 billion or £30 billion, but under nationalisation—I have looked at the figures carefully with people from the City—the Government's liability would be about £115 billion, and much of it would not be secured. That would be a disastrous policy to adopt.

The Liberal Democrats have another issue to address. If a private bidder is not prepared to become involved in the business at this time, with the necessary banking support from the Royal Bank of Scotland, Deutsche Bank and Citibank, why should we expect that they would be after a period of nationalisation? I do not know what short term is in this context, but why should we expect that, after three months, six months, three years, or six years, the private sector is going to be any more prepared than it is now? That makes a nonsense of the position, as the workpeople and the shareholders have already recognised.

The right hon. Member for Berwick-upon-Tweed (Mr. Beith) asked me about the way forward. There are no easy ways forward on an issue such as this. I have spent a lot of time talking to all the bidders about the detail of their options. I have spoken to the board of Northern Rock and other stakeholders. Realistically, all that can be done is for the Government to protect their back as well as they can with the loan finance that has been made available, to make sure that the depositors are safe—otherwise there is no chance of ever getting any more deposits in the business, either now or following restructuring—and to move forward gradually to try to reach a solution. I am told that that probably will not happen until January.

The heat has to be put on those who now have a shareholding stake in the business. Some of the hedge funds have bought into the business and probably have an exposure of £150 million to £200 million. I expect that they would lose that if the business were nationalised. There has to be a dialogue between the Government and the Bank of England, and those bidders, on how a deal can be structured to allow the bidders to take over—albeit not unconditionally. The banks that are backing the bids will not allow any unconditional takeover to be made by either of the bidders. The Royal Bank of Scotland is not exactly naive about this sort of thing and it seems to be the lead bank on the syndicate of

[Mr. Henderson]

banks. It is going to lay down conditions that I believe have to be consistent with what the Government are looking for. If so, the shareholders have to make a decision, perhaps following advice from the board of Northern Rock, on whether, given all the circumstances, that is the best way forward.

That is not going to be easy, but I hope that the situation can be addressed in that way, because that will be best for the workers, the small shareholders and the north-east. But I am not naive enough to think that we are bound to be successful. If we do not succeed, of course we will have to look at other ways of making sure that the bank has a future and that those who have a stake in the bank—the workpeople, the shareholders, the depositors and others—have a future. It is quite a long process, and it is unavoidable. I wish it were quicker, because the longer it goes on, the more of a drain there is on the business and the more insecurity is created.

When the Liberal Democrats talk about the bank bleeding to death, as the hon. Member for Twickenham did this afternoon, they are not helping the situation. The hon. Gentleman is not helping to build confidence either in the north-east or elsewhere. I hope that the House rejects the Liberal Democrat motion and backs the Government on what people in the north-east know is the best way forward, and the only way forward at the moment.

5.54 pm

Mr. Alan Beith (Berwick-upon-Tweed) (LD): If we leave aside the party politics, there was a lot in what the hon. Member for Newcastle upon Tyne, North (Mr. Henderson) said with which I entirely agreed. However, our objective is to try to ensure that the bank's circumstances can be protected in the future in better market conditions than those that will exist between now and the beginning of January, which is the time scale about which we are talking. For all the hon. Gentleman's passion, which I fully respect as I am well aware of the number of his constituents who are directly involved—my constituents are involved, too—we must face uncomfortable facts and make some difficult decisions.

The collapse of Northern Rock has been a disaster for north-east England and, on the part of those responsible, a betrayal of the region's history and the great traditions of Northern Rock as an institution. The events have had such serious and traumatic effects on the region that there is understandable reluctance to face up to the uncomfortable facts of how they came about and what must happen now, if something is to be saved from the wreckage. There is an understandable desire to see a knight in shining armour coming to the rescue, but such knights as have appeared are not self-evidently in a position to repay the vast and unprecedented debts to the taxpayer that the company is piling up.

Those with mortgages will not suffer—they will be comfortable—and those with retail deposits are unlikely to suffer, because this is the Government's problem, not theirs. However, the shareholders, including the small shareholders, will lose heavily whatever solution emerges. No one in the House would be prepared to advance any basis on which small shareholders would be protected from the consequences of what has happened. The big losers in the region will be those who work for Northern Rock, the many businesses that supply it, those who benefit from Northern Rock's sponsorship in the community and, significantly, all the good causes in the region that benefit from the Northern Rock Foundation, which owns 15 per cent. of the shares and got 5 per cent. of Northern Rock's profits.

Why does the foundation exist? The official history of Northern Rock makes it clear that it was devised to persuade reluctant building society directors and members to support demutualisation. It was designed to persuade them that there would be a block of shares that would help to resist takeover by anyone from outside the region, and that the region would continue to benefit from the future success of Northern Rock. What an irony that that 15 per cent. shareholding now has little or no value and certainly will not be a blocking share to a takeover, which people in the region are now anxiously asking for. The events have had a wider impact on confidence in the region. The Government must realise that they could help confidence in the region in many ways that go beyond Northern Rock itself.

The fundamental responsibility for what has happened lies with the directors, many of whom I know, who either failed to understand the dangers in the chief executive's strategy, or were just not willing to stand up to him. Many of us were worried by the speed of the company's expansion, but we did not know—although the directors must have known—that it was five times more exposed than any other UK bank to borrowing from the markets, relative to the size of the institution.

There were clearly failings in the regulatory system, including due to the division between responsibility for regulation and the position of lender of last resort. The Prime Minister created that division when he was Chancellor, alongside his commendable action of giving the Bank of England independence over monetary policy, for which I had long argued, but it has proved, in this instance, to be an unsatisfactory division of responsibility.

It can just about be argued, although I am not entirely convinced by the argument, that the run on the bank might have been forestalled by earlier injections of liquidity into the system by the Bank of England. However, we must bear it in mind that liquidity was exceptionally low at that time. I hope that the Treasury Committee will examine both that and the previous issue more closely.

Jim Cousins: Does not the right hon. Gentleman accept that the fatal thing that caused the run on the bank was the quite improper leaking of the news that the bank had gone to the Bank of England for a credit facility? The directors and employees of Northern Rock all feel a profound sense of betrayal about that leak. Sadly for the directors, they never recovered their leadership after that and the feeling of betrayal sent them off course. Does he acknowledge that that leak caused the damage?

Mr. Beith: Yes, I do, although the lack of leadership of the directors goes back much further than that. However, the hon. Gentleman is right in the other part of what he said. I am still not convinced that the bank's position was sustainable, or that we can be certain that a run would not have happened, but the speed with which the run took place indeed resulted from that news bulletin deriving from that leak. Would we not all like to know how that came about and whether there was any motive on anybody's part that generated the leak?

To return to what happened, if one drives round a blind corner at 80 mph and crashes into a broken-down bus, it is no use saying, "Somebody should have stopped me speeding" or "I didn't know there was a broken-down bus round the corner". That is essentially what the defenders of the bank's previous policy are saying—that the regulator should have stopped them having a bad business model, and that banks cannot be relied on to cater for unexpected circumstances. Banking is about managing the risk of the unexpected. That is what banks are for. What happened to risk management? Did it fail because Mr. Applegarth had a majority of executive directors on the risk committee?

Then there is the squalid episode of the creation of the Jersey-based Granite Trusts, where Northern Rock parked its mortgage assets, supposedly to benefit Down's Syndrome North East. The association was completely unaware of its name being used and had not received a penny from the trust or network of trusts, whose real purpose was to facilitate the securitisation of the bank's loan book in terms intended to benefit charitable trusts. It transpires that other banks, including Halifax-Bank of Scotland, Standard Life and Alliance and Leicester, have all engaged in similar exercises, which may involve breaches of UK charity law or procedures.

I hope the Charity Commission will look at this, and that the Government will review the law in this area. The irony is that Northern Rock's hard-working staff raised £40,000 for the Down's Syndrome Association by their own efforts six years ago, but the creature created in Jersey by the bank has not given a penny, so far as I know, to Downs Syndrome North East.

The question that we must consider is whether the interests of the north-east are likely to be best served by waiting to see whether a saviour can be found who will repay the taxpayer's £30 billion and get the bank on a sound footing. That looks increasingly uncertain. The big danger is that the bank will be driven into administration, in which case the north-east's interests are not even in the queue for the proceeds of the resultant fire sale—and it would be a fire sale, selling into the market at a bad time.

Or are people asking for the taxpayer to waive some part of the loan and the interest, perhaps as much as £10 billion, to give a potential buyer a better chance? If we start to say that we could do more to enable a private buyer to take over the bank, the only way in which that could be made realistic—everything else is being done at present—is to offer a lot more taxpayers' money to a particular private buyer to enable that to happen.

For heaven's sake, if we can have billions of pounds of Government money to help the north-east, which certainly needs help, would we choose to put money on such a scale into a failing bank? What about all the other things that we need in the north-east, such as our infrastructure, the A1, fast rail links, schools, universities to build up our skills base, and new businesses? We have to ask whether that would be the best way to help the region, and note that it took not something about the north-east but a threat to London's banking system to drive those huge amounts of money out of London. Why is London, so to speak, sending so much money to the north-east? It is doing so because London's banking system, on which London depends, was threatened by what was happening at Northern Rock.

The taxpayer is pouring into Northern Rock sums far beyond the wildest dreams of regional bodies, local authorities and the whole north-east business community, with no guarantee of getting more than a part of it back, no current interest payments, and precious little control over what is happening to all the money. That is why Northern Rock probably will be nationalised, and, if not, will probably go into administration.

We probably ought to bite the bullet now, but in doing so we must recognise what the Government's principles failed to recognise—that the north-east has suffered and will continue to suffer from this disaster, and that the interests of the region must be one of the guiding factors in deciding how the business can be managed into a state where it can survive as a regional financial institution. That is what it was, before it was taken so recklessly into an aggrandising policy that has proved so disastrous. Frankly, to expect more than that—to expect to get more than a modest regional institution at the end of the day—would be unrealistic. Even now, no private bidder, realistically, looks able to promise that.

We also need to ensure that the foundation survives. I hope that it will, and with wider participation from businesses in the region. At one time in London there was a 1 per cent. club of businesses that gave 1 per cent. of their profits to a charitable foundation. Here we have a ready-made charitable foundation, and I hope that more businesses in the north-east will see that it could belong to them in future. Whatever emerges from Northern Rock, it is unlikely to produce the yield for the Northern Rock Foundation that Northern Rock itself produced.

It gives me no pleasure to say harsh things about what has happened to Northern Rock—still less does it please me not to be able to offer a comforting picture of a private participant coming in to rescue the business and meet all the conditions that we desire. I wish I could say that that would happen, but we are in a much more challenging situation.

Mr. Deputy Speaker: Order. I am afraid that the right hon. Gentleman's time allocation has been used up.

6.6 pm

Mr. David Anderson (Blaydon) (Lab): The last time that we debated this issue, a number of my colleagues and I were accused in the Tory press the following morning of being parochial. Perhaps I have got it wrong, but I thought that that was part of my job. I have not read the job description, but I think it is all right to be parochial.

Last week, the House had a parochial debate about the road scheme around Stonehenge. The hon. Members for Salisbury (Robert Key), for North Dorset (Mr. Walter), for Somerton and Frome (Mr. Heath),

[Mr. David Anderson]

for Bridgwater (Mr. Liddell-Grainger) and for Torbay (Mr. Sanders) and the right hon. Member for North-West Hampshire (Sir George Young) rightly argued their corners for their parts of the world. The right hon. Member for Berwick-upon-Tweed (Mr. Beith) has mentioned the A1. In any debate on transport and road structures, we would all argue strongly for the improvements that we want in our parts of the world. That is why we are here, and I feel no shame whatever about being parochial again. The argument is parochial, although it is also a national and potentially international argument.

I want to start with the parochial impact on the work force. There are thousands of workers in the north-east in this very key sector—one that is not a traditional strength in our area but one that we want to build on. If that fails, the knock-on impact could be very serious.

The trade union representing the majority of that work force has set up a charter of rights that it wants included in its discussions. It wants to be recognised as a stakeholder in the future of Northern Rock and to ensure long-term job security for its employees. It wants to protect and improve terms of employment for the employees and to improve and maintain existing pension rights.

Clearly, the union wants the work of the Northern Rock Foundation to continue and the bank to stay a listed company. It is entering discussions with the private companies and saying, "These are the things that we want to work with you on." As far as I am aware, it is not saying to us or any other political party that it wants to discuss nationalisation. For it, nationalisation would simply mean that it had failed totally and saw no way out other than nationalisation. The union says clearly that it would like politicians to stop playing politics with our lives and asks people to stop talking down Northern Rock's opportunity to make its way out of its situation. I hope that Members across the House will listen to that.

In my region, we are far too used to the realities of unemployment. Twenty years ago, the Conservative party was clear that unemployment was a price worth paying. The truth, of course, was that it was not paying it—but people in our part of the world were paying it in spades. We do not want to go back to those days—certainly not in respect of the people working at Northern Rock.

I turn now to the Northern Rock Foundation. This is a parochial point, but an important one to ordinary people on the ground. I shall go through some of the things that the foundation is doing day in, day out, as it promotes social justice. It has invested £8.5 million in work with disadvantaged young people across the north-east; £8 million in regeneration; £8 million in schemes to help disadvantaged people to set up their own businesses; £6.5 million in tackling domestic abuse; £6.5 million in reducing crime; £4.5 million in helping people with mental health problems who do not get support from elsewhere; £4 million in helping people with debt problems; £16 million in the cultural renaissance of the region, including £1 million in the establishment of the Sage music centre in Gateshead, which is now among the world's state-of-the-art opera houses; £5.5 million in heritage projects; £6 million in advice and support to local charities and development of the region's voluntary sector; and nearly £5 million in providing training and development support directly to local groups.

In my own constituency, the foundation has spent £15,000 to provide a live-at-home scheme for elderly people. Last week, I was fortunate to be able to go to their Christmas party with 100 people who, but for the foundation's support, would not be getting out of the house and enjoying this time of year. It has provided nearly £2 million to establish a domestic abuse rapid response service, £70,000 to a women's health project, and £120,000 to a young women's outreach project. Of course we do not want to lose that. It is a key thing in our region; we are very proud of it and want to hold on to it.

Sammy Wilson (East Antrim) (DUP): I appreciate the list of good things that the hon. Gentleman has given to the House, but does all that justify committing the equivalent of the defence budget in taxpayers' money to propping up the bank?

Mr. Anderson: I am glad that the hon. Gentleman asked that question; I was about to come to that. He is right to say that all those important things alone would not justify it, but they are part and parcel of what will not be there if we do not carry on trying to find a resolution.

This is not just a parochial matter. The hon. Member for Twickenham (Dr. Cable) said that what happened was unprecedented and unexpected. It hit Northern Rock in a way that it should not have, and it hit other banks, but we did not intervene as a Government solely to protect Northern Rock but to protect the whole banking system. As the right hon. Member for Berwick-upon-Tweed (Mr. Beith) pointed out, it was about not only what was happening in the north but in this part of the world. The whole system was at risk, and we stopped that.

It is clear that the Liberal Democrats are starting to bottle out. As usual, they have taken an opportunistic chance to make some hay while the sun shines—that is the way they work, and that is up to them. They talk about nationalisation. I spent my life working in nationalised industries—20 years in coal mines and 16 years in local government. I have a very different ideological view from that of my party's Front Benchers: their view is that public ownership is a good thing and we should have more of it. However, we should not have it only when things are on their knees. That is what happened in the past. In the post-war years, we nationalised the pits, the railways and the steel industry because we had to, because they had been run down and not looked after properly by the Government or the businesses that were supposed to be protecting them.

Northern Rock may not be nationalised, but we should give a chance to the people who have stepped in and fulfilled some of the criteria put forward by people who work for the Rock and by the Governor. Virgin and Olivant have said in their bids—they must be tested; I do not have a problem with checking carefully what companies say before we sign up to it—that they will make up-front payments back to the Treasury on day one, give guarantees that the rest of the taxpayers' money will be paid back over two or three years, support the work force with guarantees of no compulsory redundancies, support the foundation, and protect mortgage holders and savers. They will also do what they can for the shareholders who, as Members on both sides of the House have said, need to understand the situation and bear the risk. Surely we should give the people who have come forward with a bid the opportunity to work with the bank and with the trade union, on behalf of the work force, to try to make this work.

The Liberal Democrats have come forward with proposals that they think will grab a headline. We are used to that. The people of the north-east will see through what they are doing and will not forgive them for it.

6.14 pm

Sir Peter Tapsell (Louth and Horncastle) (Con): I agreed with the mover of this motion, the hon. Member for Twickenham (Dr. Cable), who has been such a very effective temporary leader of the Liberal party, when he stressed the great seriousness of the situation we are facing. He pointed out not just the tremendous tragedy for those people, mainly in the north of England, who are depositors and shareholders, but the seriousness of the situation for our banking system, which is part of this debate and which, as the Minister pointed out in her speech, is part of an international banking system.

For the past 10 years, while the present Prime Minister was Chancellor, whatever question I asked him on any subject, he always prefaced his answer by pointing an admonitory finger at me and saying, in his usual genial way, "I want to remind the House that that was the hon. Member who spoke and voted against the Bank of England Act 1998, which has been such an enormous success." Having waited 10 years to reply, as unfortunately, unlike when I first entered the House, Back Benchers never get the chance of a second supplementary, I hope that the House will bear with me for a moment—rather a long one, I fear—while I read a bit of the speech I made on 11 November 1997:

> "The capacity to act effectively and in time as lender of last resort in a crisis...depends on the Bank's commercial intelligence system. The roles of prudential supervision and operational surveillance are closely linked, but they are not the same thing, and they are now to be separated, leaving the Bank with responsibility for operational surveillance but stripped of its powers for supervising prudential banking.
>
> Will the Bank continue to have the same day-to-day knowledge of everything that is happening in the banking world when its supervision staff are transferred to the new Financial Services Authority? I doubt it, although it will retain responsibility for the stability of the financial system as a whole. I therefore predict considerable buck-passing in the years ahead between the Financial Services Authority and the Bank of England when anything goes wrong. The Bank of England will say, 'We could not have known in advance that this would happen: we no longer supervise that institution, and the FSA never told us.' That will be a source of great trouble".—[*Official Report*, 11 November 1997; Vol. 300, c. 761-62.]

Well, so it has proved. The institutional root cause of the Northern Rock disaster lies in that separation of powers by the present Prime Minister.

I happened to be in Tokyo when the news broke and, of course, any senior banker or businessman travelling abroad—I have spent a great deal of my time doing that—spends most of his time in hotel bedrooms watching CNN. I was absolutely amazed to see queues of people waiting to draw their money out of Northern Rock. I happened to be in Tokyo to visit various banks, including the Bank of Japan, and the people there were exceedingly polite and hardly likely to raise the matter with me. The fact is, however, that it did a great deal of damage to the prestige of British banking. That is perfectly clear.

One of the people I visited while in Tokyo was the governor of the Bank of Japan when it went into its great financial crisis in 1985; he is an old friend of mine whom I have known for more than 40 years. He told me that he had to buy up the equity of almost all the leading Japanese banks. They were starting to sell that equity back at a considerable profit when I was there. It is worth noting, however, that it had taken them 15 years to reach a position where they could start to do that. We should not assume that this crisis over Northern Rock will be solved in a matter of weeks or months. It is going to take years to unravel.

The scale of the so-called credit crunch problem has yet to be fully revealed, and we might end up with the world's major banks engaging in massive asset reductions. When Citibank, the largest bank in the world, has to borrow $7.5 billion from the Abu Dhabi investment fund at 11 per cent. interest, and has to offer that amount in convertible preference shares, it is a pretty serious situation. I was in Abu Dhabi when the then ruler, Sheikh Zayed, opened the new, rather modest, building to house the Abu Dhabi investment authority. Of course, it is now a building of almost unexampled magnificence, as Lord Curzon might have said. The fact is that Citibank is paying 11 per cent. for that money. We can just imagine the arguments that went on before it agreed to that rate of interest, which is more than double what the Fed was proposing as the present inter-bank rate in the United States.

The most dangerous aspect of this situation is the growing reluctance of banks to lend to one another. Inter-bank lending is a crucial and essential part of the banking system. Also, the central banks are in danger of losing monetary control if, when the Fed and the Bank of England reduce their bank rates, the inter-bank rate rises. That is what has been happening, and it sends a very dangerous signal. There are historical parallels, including what happened in Japan in the 1980s. Excess competition in the banking sector led to a huge property bubble and ended in one of the longest recessions in history. Japan is still technically in recession, 15 years later, and its interest rate is 0.25 per cent.

The resignation of a few prominent chief executive officers, accompanied by huge golden handshakes, will not satisfy public opinion. The fact is that we face a grave international situation. The largest bank in the world, Citibank, is borrowing billions of dollars at 11 per cent. This means that money power has moved out of western hands and into those of Russia, China, India and the middle east. Have I only got 17 seconds left? I cannot solve the world's financial problems unless I am given another half hour.

Mr. Deputy Speaker: Order. I commend the hon. Gentleman on his timing.

6.24 pm

Jim Cousins (Newcastle upon Tyne, Central) (Lab): There were two important points in that last contribution—among the travel adverts. One was that this problem in Northern Rock is going to take some years fully to resolve, and a certain amount of patience is going to be required to resolve it. The other was that the Northern Rock problem is a problem not just for one small English region, but for the whole British financial community and for London's standing in the world. It would be sensible to bear both those points in mind in dealing with this issue.

Today, five central banks, including the Bank of England, have announced that they will work together on ways of putting far more cash into the international banking system. That will only increase the growing anger in places such as Newcastle, Sunderland and Durham about this whole situation. If the same arrangements that were announced today had been in place four or five months ago, the Northern Rock collapse would not have occurred. There might still have been problems at Northern Rock, but the collapse would not have occurred. There is a far bigger problem out there than Northern Rock itself, and one bank in the north of England has now become a scapegoat for a much wider set of problems.

In August, the Governor of the Bank of England presented himself to us as the hard man who would face the markets down. Where is that policy today, and where would Northern Rock and the City of London have been if his judgment of the situation at that time had been rather better?

When we come to questions of judgment, we must also look at the contributions made on this issue by the hon. Member for Twickenham (Dr. Cable). Northern Rock is now trying to rebuild its deposit base. It is advertising attractive savings at attractive rates, which is the proper thing to do to rebuild that base, and it is trying to retain its existing deposit base by offering incentives to some of the savers who have stayed with it. What does the hon. Gentleman say? What did he say this very afternoon in this place? He said that the workers are doing no work, and that the default rates at Northern Rock—they are one of its real market strengths, and they give its workers not just a great deal of pride but market value in the financial sector—were not genuine. Previously in this House, he described the mortgage practices of Northern Rock as being

"little short of a…scam."—[*Official Report*, 11 October 2007; Vol. 464, c. 468.]

All these statements are profoundly unhelpful in resolving this problem. They are extraordinarily damaging to the workers and savers at Northern Rock.

Mr. Kevan Jones: I listened in horror to some of the things that the hon. Member for Twickenham (Dr. Cable) said, as well. Did it not also alarm my hon. Friend that the hon. Gentleman did not provide one shred of evidence to back up some of his outrageous statements?

Jim Cousins: There were shreds of evidence, but not shreds on which one would build the kind of case that the hon. Gentleman was making. I also draw attention—this is a very important point—to the hon. Gentleman's very negative comments about the preferred bidder that Northern Rock has selected.

Steve Webb: One thing that my hon. Friend the Member for Twickenham did say that could be tested against the factual record is that the bank is today lending up to 125 per cent. of the value of a property, near the peak of the housing market, on four or five times people's earnings. Does the hon. Gentleman think that that is wise practice today?

Jim Cousins: I come back to this point. One of the real skills built up by Northern Rock's workers is making mortgage lending available to the lower end of the income scale and making those mortgages work in a sustainable way. So far, the published record indicates that the bank has been very successful in doing that. That set of skills is of enormous value to our current housing market and it would be sensible not to downgrade those skills and destroy that reputation, which would make that work impossible.

Julia Goldsworthy *rose*—

Jim Cousins: I will give way, but I hope that the hon. Lady will acknowledge my situation.

Julia Goldsworthy: I am grateful and I will be brief. Does the hon. Gentleman agree with Citizens Advice, which highlighted this issue today, saying that many people on low incomes are taking on too much debt and that the banks should be acting more responsibly? That was raised as a general issue.

Jim Cousins: But it is precisely that general underlying point—a sound one—that reinforces the value of Northern Rock's lending practices in being able to make lending available to workers on lower incomes and to make it work on a sustainable basis. Northern Rock's default rates were among the lowest of the big mortgage lenders—a point that needs to be repeated time and time again, because it is part of the real hidden value in the Northern Rock business, which must not be thrown away for nothing in our debates.

The hon. Member for Twickenham also sought—I return to the point—to downgrade the preferred bidder. He referred to Richard Branson, the gentleman who runs the Virgin consortium. I freely acknowledge something that is not widely known—that the name Virgin has everything to do with tax and very little to do with sex. It is a reference to the British Virgin islands, which were the original tax location of that particular business. All that is fair stuff and fair copy. That is why the hon. Member for Twickenham should have acknowledged the significance of the Government's requirements, set out clearly in a letter of 25 November, which is available to the House. It states that

"returns on equity investments made by members of the Virgin Consortium and other holders of ordinary shares must be restricted until the public sector loans have been paid back with interest and all other public sector commitments are at an end."

That was a requirement set out by the Government on 25 November and it has been accepted by the preferred bidders. These are important points to bear in mind; we must not write down the value of this business.

Now we come to the question that I asked the hon. Member for Twickenham in an intervention: what is the point of nationalisation? Is it to secure Northern Rock's future as a growing business, headquartered in the north-east? The hon. Gentleman was not very clear in his answer, but the real answer appears in his motion, which refers to

"temporary public ownership as the only action that will guarantee the loans are paid back in full as soon as possible at the lowest risk to taxpayers."

It could not be clearer that the purpose of nationalisation is to put the Government at the head of the queue of creditors in getting their money out. Those are the worst possible conditions in which to be considering the bank's future. That is a profoundly irresponsible policy. It is nationalisation for fire sale and nationalisation for break-up. Nationalisation for sustained recovery and growing on the business would be a different proposition, but that is not the proposition that the Liberal Democrats are putting forward.

I return to the heart of the matter. The north-east of England does not want to exist for ever as a welfare-dependent region. My hon. Friend the Member for Blaydon (Mr. Anderson) pointed out that we have in Northern Rock an important business, in a growing part of the British economy, headquartered in our region, which few big businesses are now, whose lending practices have been a success. That is part of the new economy of which the north-east of England wishes to be part. The Question before the House is: how do we secure the future of Northern Rock, so that it can play its part in the wider recovery of the north-east economy? If Northern Rock goes down or is broken up, made bankrupt or run off, as the right hon. Member for Wokingham (Mr. Redwood) mentioned, that would be a disaster for the north-east. It would do psychological damage to the north-east, just as the first Thatcher recession did between 1980 and 1981. Yet that is the hidden meaning of the policy of nationalisation that has been put before the House today. It must be rejected.

There is a wider point, however. If Northern Rock goes down—broken up in a fire sale, nationalised with the Government putting themselves at the front of the queue of creditors—that will do enormous damage to the City of London's reputation not only in this country and Europe, but throughout the world. That is not a policy that can be contemplated. How will the Government deal with other banks in order to make arrangements for the run-off of sub-prime mortgages, of which Northern Rock has very few, if they are themselves the owner of a bank? It is a ridiculous—

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Gentleman's time is up.

6.37 pm

Mr. Philip Dunne (Ludlow) (Con): It is a pleasure to follow the hon. Member for Newcastle upon Tyne, Central (Jim Cousins), given his experience of the circumstances surrounding Northern Rock on his constituents. I should like to focus on the Government's decision making throughout the process and conclude with some comments on nationalisation, following up on what the hon. Gentleman said.

It is clear that the origins of the crisis extend way beyond this country and the confines of Northern Rock, and lie in the difficulties in global credit markets and the inability of Northern Rock in particular to achieve its regular securitisations in order to provide funding. However, the problem was identified in January this year by the FSA in its remarks on the state of credit availability and the implications for liquidity around the world. They were also endorsed by the Bank of England in its quarterly review in April, yet individual financial institutions in this country were slow to react, to put it mildly.

Northern Rock continued with, and in some areas even increased, its pace of lending, increasing its share of the mortgage market in the first half of the year to 20 per cent. There are many reasons for that, which we could go into. It is fitting that we are having this debate on the day when Northern Rock is being removed from the FTSE 100 index, to mark its demise from its previous position in our financial services sector. The business model was clearly flawed, and the executives in the bank were carried away, partly as a result of their lack of experience.

Northern Rock's board appeared before the Treasury Committee, and it is notable that the chairman, who was acknowledged not to be a banker and who had quite properly offered his resignation to the senior non-executive when the crisis struck, has been replaced by somebody else who is not a banker. He has recently been non-executive director of a major bank, but his entire career was spent in the oil industry. The chief executive of the bank, who was responsible for the rapid growth in its lending, is still there, as we heard earlier. The chairman of the audit committee—the same person as the chair of the risk management committee—who oversaw the explosion of lending was the only member of the board who was a recognised banker. As emerged earlier today, he was Sir Derek Wanless, the man who was appointed by the Prime Minister to review the finances of the national health service.

Mr. Charles Walker (Broxbourne) (Con): A track record of success.

Mr. Dunne: A curious track record, although I believe that his role in banking preceded his role in advising Government.

When the crisis hit, how did the Government react? They reacted through the tripartite arrangements that had been established by the Chancellor as Chief Secretary to the Treasury 10 years ago, and by the present Prime Minister when Chancellor. It is now clear as day that the tripartite arrangements had not been stress-tested when they were put in place, and it was therefore not at all clear how decisions would be made, and by whom, during a crisis. That fundamental uncertainty about where responsibility lies and decisions are made in the depths of a crisis lies at the heart of the Government's reaction to this crisis and some of the false moves that they have made. The first real test of the tripartite arrangements has failed.

In her chronology of events, the Economic Secretary omitted the first key decision that the Government got wrong in the crisis. The Chancellor failed, in fact, to make the right decision over the offer for Northern Rock that was on the table from Lloyds TSB.

Mr. Colin Breed (South-East Cornwall) (LD): I know that hindsight is an inexact science, but will the hon. Gentleman offer a view on whether it might have been better to lend £30 billion to Lloyds TSB or to Northern Rock?

Mr. Dunne: That is precisely the point that I was about to make. With the benefit of hindsight, it is undoubtedly clear that had the Government decided to advance the facility to Lloyds TSB, it would have done so on terms that would have been commercially more attractive to the bank. That would have meant that the bank would not have had to pay the penal rate of interest that is causing part of the problem to the profitability of the remaining part of Northern Rock. I shall say more about that shortly.

Much has been made of the fact that what was on the table was not a firm proposal. Indeed, the Chancellor told the Treasury Committee that there was no firm proposal. However, my research makes it clear that Northern Rock ran a competitive bidding process among institutions that might have been in a position to make a bid, that the process began on 20 August, and that by Friday 7 September Lloyds TSB had concluded that it would proceed with an offer, but only on condition that the Government facility of £30 billion was made available at LIBOR flat, a commercial but not penal rate of interest. That offer would have been via a scheme of arrangement, a court procedure, and would therefore not have been conditional on shareholder consent, which would potentially have frustrated the bid.

The offer was there. It was not completely unconditional, but had the Government accepted it, confidence would have been provided for Northern Rock's funders and much of the present mess would have been avoided. Had a different decision been made it would undoubtedly have attracted political flak at the time, and there would have been difficulty, but it would have been nothing compared to what we have now.

The next piece of indecision from the Government occurred when someone—it is not certain who, but the finger of suspicion clearly points towards the Treasury, as the hon. Member for Newcastle upon Tyne, Central suggested—decided to brief the BBC on the extent of the problem surrounding Northern Rock on Thursday 13 September. The lender of last resort facility was announced the following day. A decision was made to leak some information—I am not accusing the Chancellor directly, but someone made the decision—and the next day, when the announcement was made, Northern Rock made a statement about its financial prospects. The failure on the part of Government was that no joint decision was made by the parties involved, the three members of the tripartite arrangements and the company. Nor was the decision made at the same time to extend the deposit guarantee, as has been referred to. Had both guarantees been announced together, and had there been a common statement from those concerned, considerable confidence would have been given to the market, we would not have had a run on the bank, and we would not be in the mess we are in. Furthermore, it now seems that the Government were taking all these decisions about critical aspects of market practice without any external advisers. Goldman Sachs was appointed only a week after the guarantee was provided. That is another example of poor decision making at the heart of Government.

The next poor decision was the security package that the Treasury and the Bank of England negotiated for their facility. The Bank of England is a bank so it understands security and it appears that it took security over the best assets available, which is good for the Bank of England. The Treasury is not a bank and did not take such good security. What package of security has the Treasury taken? The Economic Secretary gave us a clue; it seems that it does include the seller's share owned by Northern Rock in the mortgage collateral within Granite. The seller's share is, I believe, £7 billion of the worst tiering of security within the Granite structure, which effectively means that if the Granite mortgages start to default that will come out of the Government's security package first—in other words, it is the weakest form of security.

What will happen if either of the current offers are pursued? It will be interesting to hear from the Economic Secretary in her winding-up speech what security the Bank of England and the Treasury will be encouraged to surrender. Will they share in the risk with the bidding group, or will—as would be more normal practice—new money coming into the business require priority in security, in which case the Government would be left with even lesser quality assets?

Philip Davies (Shipley) (Con): My hon. Friend is making a thoughtful speech. Does he agree that it is difficult to know what is the best future for Northern Rock unless the precise terms of the arrangements of the Bank of England and Treasury loans are disclosed?

Mr. Dunne: That would be helpful not only to those of us who are trying to understand what has gone wrong, but to the bidders to get some idea of the details of the security package.

As my hon. Friend the Member for Fareham (Mr. Hoban) said, the Chancellor has confirmed that taxpayers' money is safe and will be repaid. That puts the Chancellor's position and credibility firmly on the line in the context of the Northern Rock situation and its resolution. I very much hope that taxpayers will receive all their money back—that is the outcome we all want—but it is hard for me as a former banker to see how that can possibly occur. While the chairman of the Financial Services Authority confirmed yesterday to the Treasury Committee that he regards Northern Rock as solvent, that is due only to the Government facility, since it has not been able to meet its debts as they fall due since mid-September, which is why it went to the Bank in the first place. We now know from the Economic Secretary that the security package includes Northern Rock's residual share of the mortgage held in Granite, ranking behind £48 billion-worth of security, at the last count, in Granite. It is composed of unsecured lending and home-equity release mortgages, which are the UK equivalent of sub-prime mortgages. It also rests on a portfolio of traded securities—some £15 billion according to the last balance sheet we saw—issued by others. Given what is happening in the credit environment and to the valuation of traded securities around the world, whether that is of par value is somewhat doubtful and an open question.

Let me conclude on nationalisation and pick up on Members' observations on that. Nationalisation is not a solution that protects the taxpayer. It could do so only in the event of benign market circumstances and over a prolonged period, with the bank being run as a business in competition with every other financial institution that is in the mortgage business around the country by a Treasury that, frankly, is not equipped to do so. It is highly unlikely that those circumstances will prevail. The other circumstance in which it might possibly work is as a facilitation of a back-to-back deal with a private sector purchaser. As I pointed out in an intervention, nationalisation places the Government in the position of being a 100 per cent. equity owner responsible for meeting all £110 billion of liabilities that might fall due. Is that a responsibility that the Liberal Democrats really want the Government to undertake?

6.49 pm

Mr. Quentin Davies (Grantham and Stamford) (Lab): I do not know how much light this evening's debate has been able to throw on the problems in the inter-bank market or the problem of Northern Rock. It has shed a lot of light on the state of the Front-Bench teams of the Conservatives and Liberal Democrats. Once again, it has shown that the Conservatives have no original ideas. As has become blatantly apparent this evening, they are not even prepared to answer their own questions. They are in the business of saying contradictory things to different people, of gesticulating in different directions, and of hinting that their policy line is one thing and then, when that becomes inconvenient, simply saying that it was not party policy when it was stated after all. We have seen through them this evening.

The Liberal Democrats, who called for this debate, have also shown that they are all over the place, even though they have a concrete proposal in the form of nationalisation—it is surely the wrong one. It makes no sense for the hon. Member for Twickenham (Dr. Cable) to say that he is extremely worried about the exposure of taxpayers' money through the Bank of England deposits with Northern Rock and a second later to say that he thinks the taxpayer should not just have the deposit risk of a defined amount of money, but should take on the equity risk too by nationalising the bank. That equity risk will not only be the existing equity risk, because, as has been pointed out by the right hon. Member for Wokingham (Mr. Redwood), who made a sensible intervention for once, future liabilities in the form of redundancy liabilities and so forth can crystallise subsequently.

The hon. Member for Twickenham said two other odd things this evening. One was that there has not been a comparable banking collapse since Creditanstalt in 1931. A range of banking collapses have occurred since then—there were a number in the 1970s involving the secondary banking crisis. One such collapse happened to London and County Securities bank, which had as its director at the time Jeremy Thorpe, then leader of the Liberal party. It is little wonder that the hon. Gentleman does not want to remember that one. That situation had to be solved by the famous lifeboat, which turned out to be a successful support operation. The leader of the Conservative party is even more ignorant than the temporary leader of the Liberal Democrats, because he said, at Prime Minister's questions, that there had not been a comparable bank crisis or run on a bank for 140 years. He was even further from the mark than the Liberal Democrats are.

Another extraordinary thing took place. The hon. Member for Twickenham knows quite a lot about economics, but he allowed himself to be completely seduced into demagogy of the most irresponsible and superficial kind this evening. He started comparing £30 billion-worth of deposits placed by the Bank of England with Northern Rock—if that is what the real figure is—with the cost of high-speed trains or hospitals. He knows as well as anyone, and perhaps better than most, that if one buys high-speed trains or hospitals, one loses the cash because it will have been definitively given away. If one places money on deposit with a bank, one has it there. Unless any further write-offs, in addition to existing provisions on the book of Northern Rock, prove to be more than the value of the equity, all the deposits will be repayable, and it is inconceivable that more than a very small proportion of those would be the target of subsequent provisions. The hon. Gentleman knows that. He was merely trying to play to the gallery and to be demagogic when to do so is thoroughly irresponsible.

What should we do in this situation? The Government are doing the right thing. It was right for the Bank of England to intervene, because that is what lenders of last resort are for. It would be disastrous to have a banking collapse when the inter-bank market is in a considerable psychological crisis, and we are right to prevent that from happening. We should continue with the present arrangements—that may be for much longer than next February, and that does not matter—until we can find a suitable trade sale. Ultimately, if that did approach not work, we would have to opt for administration.

I hope that the Government bear one point in mind: the enormous moral hazard involved if there were any attempt—I am sure that the Government would not be tempted to do this—to bail out shareholders. That would be wrong. They bear the equity risk of the business and they would have been the beneficiaries had the high-risk strategy of funding the bank up to 70 per cent. on the inter-bank market worked, so they must take responsibility for that strategy that their management adopted. We cannot have the moral hazard of shareholders in that situation being bailed out, otherwise every bank will think that it can adopt the highest-risk strategies, whether on the asset side or the liabilities side, because if it works they will get the reward and if it does not, the taxpayer will pick up the tab. The result of that would be corruption of good banking standards throughout the country.

I welcome today's important news that the regulators and lenders of last resort here in the European Union and in the United States have got together to provide liquidity for up to three months for the world banking system. What we need in this crisis is exactly what the Government have displayed—calmness, strong nerves and consistency. It is clear that the only Front Benchers displaying those qualities tonight are my right hon. and hon. Friends.

6.55 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): I had hoped for a greater welcome in the House for this debate, because this is the only opportunity we have had since the issue blew up to discuss points that so many hon. Members from Newcastle and the surrounding north-east area have raised about what should happen to the employees of Northern Rock. The Conservative Front-Bench spokesman said that his party had called for a statement on the issue, but that would not have allowed a full discussion. As my hon. Friend the Member for Northavon (Steve Webb) said, the fact that the Conservatives did not even feel it necessary to table an amendment that could have outlined some of their views shows how little they have to contribute.

Today has been an opportunity to raise wider issues about the run on the bank and allow parliamentary time to discuss, and possibly express our preference for, some of the options on the table. Whatever the final outcome, it is clear that there will be a human cost to this episode, although the Minister explicitly did not mention that in her remarks. It was raised by hon. Members with constituents who work for Northern Rock, and we heard some valuable contributions from my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith), and the hon. Members for Newcastle upon Tyne, North (Mr. Henderson), for Blaydon (Mr. Anderson) and for Newcastle upon Tyne, Central (Jim Cousins), who rightly raised the uncertainty that the staff face. We do not wish to criticise that uncertainty and we share their pain, but they face a difficult and challenging future whether a private buyer takes it on, or the bank goes into administration or is taken into public ownership.

We cannot expect a private buyer to be Mother Theresa or a knight in shining armour. There are difficult times ahead, and our argument is that taking the bank into temporary public ownership would be a way to provide some stability and a platform for progress. If hon. Members have any criticisms, they should be for the people who devised Northern Rock's business model, which, the Minister acknowledged today for the first time, had a major role to play in the downfall of the bank. However, I would ask who was responsible for supervising that business model and who set up the circumstances that enabled it.

The focus of the anger of all the hon. Members who spoke so passionately about the effects on their constituents should be Adam Applegarth and the board of directors who so aggressively pursued an expansion plan that relied heavily not on retail deposits—the heritage of the bank—but on borrowing on the wholesale markets. Those hon. Members should also be angry with the Government for setting up the tripartite arrangement.

The hon. Member for Louth and Horncastle (Sir Peter Tapsell) raised the issue of what happened when the Bank of England was made independent. However, the issue that he raised was not to do with that, but with who took on oversight of the banks. Perhaps if that had stayed with the Treasury, the tripartite arrangement might have been slightly clearer. Early warning signs were not picked up and acted on and the legislative framework was inappropriate. There was a delay in guaranteeing deposits, which stoked public concern, and some of the responsibility, ultimately, has to go back to the Government.

Of course, the impact will be felt far more widely than simply in the north-east and among the beneficiaries of the Northern Rock Foundation and employees of Northern Rock. Every single taxpayer has made a commitment. Labour Members said that it is about putting the Government first, but it is actually about saying that the taxpayer should be put first.

It being Seven o'clock, the debate stood adjourned.

Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business).

That, at this day's sitting, proceedings on the Motions in the name of Dr Vincent Cable may be proceeded with, though opposed, until a quarter past Seven o'clock.—*[Alison Seabeck.]*

Question agreed to.

DEFERRED DIVISIONS

Motion made, and Question put forthwith, pursuant to Standing Order No. 41A(3)(Deferred divisions).

That, at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motions in the name of Mr Secretary Hain relating to Pensions; Mr Jim Murphy relating to the Funding of Political Parties; and proceedings on the Motions in the name of Dr Vincent Cable.—*[Alison Seabeck.]*

Question agreed to.

Northern Rock

Question again proposed, That the original words stand part of the Question.

7 pm

Julia Goldsworthy: I was talking about the impact on taxpayers of the Government loan of some £30 billion. That equates to a loan from every taxpayer in the country of £820. Again, that is only an assumption, which we can make because the Bank of England publishes its balance sheet. We have not had explicit information from the Treasury on the terms of the loan or the amount of money that it expects to loan—either up until now or in the future.

People have a right to know the extended terms of the loan. I ask the Minister to state explicitly the security. Is it based on the fixed or floating assets? If she can give a clearer answer than she did earlier, I shall be grateful. What can she do to ensure that people are reassured that the Government will seek full repayment of the loan as soon as possible and that a clear time frame will be set out? That information has been far from forthcoming and needs to be provided. Ultimately, if taxpayers are providing this money, they have a right to know that information.

Of course, it has been a tough time for shareholders, too. Many small shareholders benefited by becoming shareholders when Northern Rock demutualised in 1997, as has been mentioned, and they own about 25 per cent. of Northern Rock's shares. As always, there is a risk in trading stocks and shares. Financially, it is more—*[Interruption.]*

Madam Deputy Speaker: Order. Will hon. Members who have just come into the House please keep the conversation low?

Julia Goldsworthy: The shareholders are also taxpayers. If the average shareholding for a small shareholder is about £600 and the average tax contribution is £800, they are still net out of pocket. Their anger should be directed at those people who were delivering the business model.

It is worth pointing out that the majority of shareholders are hedge fund traders, who do not invest in the long-term security. They invest in the short term, which does nothing to benefit the long-term viability of the bank. For many people, and potentially for the wider economy, there have already been significant consequences of the run on the bank. That raises two fundamental questions. Have lessons been learned, and could the Government have done anything better? There has been some acceptance of failure in the tripartite arrangements and in the regulatory framework. The Government sought to address some of that in the Queen's Speech.

However, there are key issues where the Government still deny that there has ever been a problem. We just need to look at the loan. The Government are not following the principles laid out in their legislation on credit and savings that mean that the terms of the loan need to be laid out clearly. There has been no public debate on the interest rate, on how punitive it is, on how it has changed and on how it compares with the inter-bank lending rate. There has been nothing on the security of the loan.

Another key area of failure has been the Government's delay in reaching an agreement on a private sale. The longer the debate goes on, the more public money is invested in Northern Rock and the less likely it becomes that there will be a viable takeover by a private organisation at the end of the process. Will the Government accept that they are undermining the viability of a private sale? Will they accept that they are in an incredibly weak negotiating position? Essentially, they are taking part in a poker game where they are showing their opponent the cards and playing with an unlimited number of chips provided by the taxpayer.

Every week that goes by, the crisis is costing the taxpayer more money, there is less chance of a proper recovery, and it becomes more probable that the bank will have to end up in public ownership. The position is unsustainable, and that is why we say that the Government must bite the bullet. The least worst option is to take Northern Rock into temporary public ownership, with a view to selling it off later. That would surely be better than the proposition—which the Conservatives seem to support—that the Government would write unlimited blank cheques merely to avoid the dogma involved in taking the bank into public ownership. In fact, the tales of Rolls-Royce or the public mortgage bank that was referred to earlier show that the Conservatives have a record on these matters.

Finally, why is the problem so urgent? All the options are on the table, but the Government must act quickly. If the bank has to be taken into public ownership, that has to happen quickly, perhaps over the recess, and that is why we suggest that enabling legislation should be brought forward now. Will the Minister who winds up the debate confirm that her officials have drafted that legislation, on the assumption that it will be needed sooner rather than later?

7.5 pm

The Exchequer Secretary to the Treasury (Angela Eagle): As my hon. Friend the Economic Secretary made clear at the start of the debate, Northern Rock faced specific difficulties earlier this year because of its reliance on securitisation and money markets for substantial amounts of funding. That funding then became more expensive and therefore more difficult to obtain.

In September, it became clear that Northern Rock was having severe difficulty, and it was left with no option but to turn to the Bank of England. The Chancellor, on the advice of the Governor of the Bank of England and the chairman of the Financial Services Authority, authorised the Bank of England to provide special liquidity support.

At the time, both the Leader of the Opposition and the shadow Chancellor supported the decision. The right hon. Member for Witney (Mr. Cameron) was quoted by *The Daily Telegraph* on 16 September as saying:

> "We support wholeheartedly the action that the Bank of England and the Financial Services Authority are taking to provide liquidity to Northern Rock."

[Angela Eagle]

On 20 September, the hon. Member for Tatton (Mr. Osborne) told Channel 4:

> "The guarantee put in place on Monday night was necessary, given the position we found ourselves in then."

It was the right decision to offer support to Northern Rock, but that support must be seen through. It cannot be right to support the action taken by the Government "wholeheartedly" because it is "necessary", but then run away from the consequences as soon as the going gets tough. That is what the Conservatives did, and it shows that they are not fit to form a Government.

The hon. Member for Fareham (Mr. Hoban) opened for the Opposition in the debate, but he was very touchy about his proposal for mortgage regulation. As those of us who read its report will remember, the economic competitiveness policy group had just advocated the total deregulation of mortgages, which the Leader of the Opposition welcomed as "impressive", "successful" and "fantastic". However, that no longer appears to be Conservative policy.

The hon. Member for Twickenham (Dr. Cable) has shown that leadership appears to have gone to his head. He had a wonderful time with his speech: he described one of the private sector consortiums seeking to buy Northern Rock as "vulture investors", called the Governor of the Bank of England impertinent and said that Richard Branson was engaging but had a criminal record. He added that Northern Rock was bleeding to death, in a bid to frighten anyone interested in keeping their money in the bank or in helping us to provide a solution to what is an extremely difficult problem. I shall restrict myself to observing that, by saying as much, he is not helping.

The hon. Member for Twickenham said that there was a great deal of urgency about the need to tackle the problem, but then spent 40 minutes saying how urgent we had to be. We look forward to the new leader of the Liberal Democrats taking over next week, when we will be able to describe the hon. Gentleman as "Mr. Has-Bean".

I want to spend a bit of time explaining the principles behind our support for Northern Rock, which has given the bank the opportunity to consider its strategic options for the future. First, the Chancellor has made it clear that the interests of the taxpayer must be protected. I know that it is a matter of concern for hon. Members that substantial sums of money have been lent that must be repaid at an appropriate time and rate. The Government will consider all options with a view to reaching the best outcome for the taxpayer. Other things being equal, we shall view favourably proposals that minimise any residual Government involvement or funding from the public sector.

Secondly, we want to protect depositors. It is essential that we do everything we can both to safeguard their interests and to maintain the service provided to them. We shall view favourably any proposal that minimises disruption to the service provided to Northern Rock's customers. We expect proposals to include plans for communication with customers.

Thirdly, any proposal must maintain wider financial stability. We shall, therefore, assess proposals to ensure that they will result in a substantial long-term capital structure that meets the tripartite authority's stability and policy objectives, and that there is a viable medium-term business plan. As my hon. Friend the Economic Secretary said earlier, the Chancellor has told the House several times that any outcome must meet European Union state aid rules. Any proposal for Northern Rock's future must meet the principles I have just set out, and it would have to be approved by the Government.

I turn to the process of identifying a buyer— *[Interruption.]*

Madam Deputy Speaker: Order. There are far too many conversations in the Chamber. Members who have been here throughout the debate want to hear the Minister's response.

Angela Eagle: Thank you, Madam Deputy Speaker.

As Members know, Northern Rock has asked for expressions of interest in purchasing the business, and has announced that it is taking forward discussions with the Virgin consortium on an accelerated basis. Let me be clear, however: no options are being ruled in or out at this stage.

The hon. Member for Ludlow (Mr. Dunne) made great play of the supposed proposal to buy Northern Rock that was rejected in August. In fact, there was no firm proposal on the table but, as the chairman of the FSA said, there was an exploratory inquiry whether the Bank of England would be prepared lend an institution about £30 billion at commercial rates. Referring to the so-called offer, Sir Callum McCarthy told the Treasury Committee:

> "I think it would be incorrect to regard the private sector solution as being a firm, cut and dried offer, it was still at an exploratory stage and there were a number of other issues which would have to be dealt with."

There was no offer for the bank in August.

Neither the Government nor the Bank would normally provide commercial lending of up to £30 billion for a going concern. Such a loan would be subject to approval by the European Commission.

The Liberal Democrats have suggested that we should nationalise the bank. As Treasury Ministers have made clear on a number of occasions, no option is being ruled in or out at this stage. However, I think all Members agree that a proposal from a private buyer that meets the principles we have set out would be the best option, and our preference is for the company to find a private buyer. When the hon. Member for Twickenham talks about nationalisation as a temporary solution, he must mean that we should try to find a private buyer. That is exactly what we are attempting to do.

I conclude by returning to the central issues of the debate: whether the Government should have provided support to Northern Rock, and how we should move forward from the current position. The alternative to the Government's authorising the Bank to provide support to Northern Rock was to allow the company to fail. I do not recall any Member of the House arguing for that option at the time, although now that the going has got tough some of them appear to be running away from the consequences of the guarantee they supported. The House should be assured that the

Bank of England's lending is secured against assets held by Northern Rock, and that the FSA continues to say that Northern Rock's main asset base—its mortgage book—remains strong and secure.

It is of course in everyone's interests that the situation with regard to Northern Rock is resolved as soon as possible, but it is also essential that the public interest is protected and that any proposals for Northern Rock's future meet the principles that the Chancellor has set out: protecting the taxpayer, protecting depositors and maintaining wider financial stability.

Mr. Paul Burstow (Sutton and Cheam) (LD) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 60, Noes 304.

Division No. 28] **[7.4 pm**

AYES

Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Mr. Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clegg, Mr. Nick
Davey, Mr. Edward
Featherstone, Lynne
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Gummer, rh Mr. John
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Hemming, John
Holmes, Paul
Horwood, Martin
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Moore, Mr. Michael
Oaten, Mr. Mark
Öpik, Lembit
Reid, Mr. Alan
Rennie, Willie
Russell, Bob
Sanders, Mr. Adrian
Short, rh Clare
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Younger-Ross, Richard

Tellers for the Ayes:
Paul Rowen and
Dan Rogerson

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael
(Worcester)
Foster, Michael Jabez
(Hastings and Rye)
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian

Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McCrea, Dr. William
McDonagh, Siobhain
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, David
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C.
(Sheffield, Hillsborough)
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Alan Campbell and
Tony Cunningham

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 290, Noes 222.

Division No. 29] **[7.27 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael
(Worcester)
Foster, Michael Jabez
(Hastings and Rye)
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey

Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Alan Campbell and
Tony Cunningham

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Featherstone, Lynne
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris

Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Tredinnick, David
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Brooks Newmark and
Jeremy Wright

Question accordingly agreed to.

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House endorses the approach taken by the Government to Northern Rock to maintain financial stability, protect the interests of taxpayers and safeguard the position of depositors; welcomes the publication of a statement of principles underpinning the Government's response to proposals received by Northern Rock with regard to its future; acknowledges that Northern Rock has announced that it is continuing to explore a range of options as part of its strategic review; recognises that the Government continues to keep all options open in relation to the future of Northern Rock; and notes the Chancellor's assurance that he will keep the House fully informed of further developments with regard to Northern Rock.

PENSIONS

Resolved,

That the draft Financial Assistance Scheme (Miscellaneous Amendments) Regulations 2007, which were laid before this House on 20th November, be approved.—*[Liz Blackman.]*

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees).

FUNDING OF POLITICAL PARTIES

That this House takes note of European Document No. 1159/07, Draft Regulation amending Regulation (EC) No. 2004/2003 on the regulations governing political parties at European level and the rules regarding their funding; and agrees that the Government should support its adoption.—*[Liz Blackman.]*

The House divided: Ayes 336, Noes 159.

Division No. 30] **[7.40 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank

Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fiello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael
(Worcester)
Foster, Michael Jabez
(Hastings and Rye)
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C.
(Sheffield, Hillsborough)
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Alan Campbell and
Tony Cunningham

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth

Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Horam, Mr. John
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
May, rh Mrs. Theresa
McCrea, Dr. William
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Tredinnick, David
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. John Baron and
Mr. Richard Benyon

Question accordingly agreed to.

PETITIONS

Post Office Closures (Wirral)

7.51 pm

Ben Chapman (Wirral, South) (Lab): I am presenting this petition on behalf of some 2,000 residents of Spital, who have signed it to mark their concern about the closure of their local post office. It is a well-used and important element of a vibrant community and serves a broad range and number of people who rely on its services and proximity to their homes. The nearest alternative service is a considerable distance away, which presents problems for many of the customers. The signatories hope that their local post office is allowed to continue to play its vital community role.

Following is the full text of the petition:

[The Petition of Mr Temple, Postmaster and the customers of Lancelyn Court Post Office,

Declares that the proposal to close the Post Office will have a disproportionate impact on the community it serves due to the large proportion of elderly people who rely on the service; the existing and new developments near to the Post Office which are designed to hold over 100 pensioners and an additional number of disabled people, and the fact that the development had surely been planned with the convenient location of Lancelyn Court Post Office in mind; the extent to which other traders in the Village rely on people coming to the Post Office; the infrequent bus service serving the nearest alternative Post Offices; the busy road it is necessary to cross in order to reach the first alternative Post Office (which has no parking facilities) and the descent and climb necessary to reach the second alternative Post Office.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business, Enterprise and Regulatory Reform to review urgently, with the Post Office, the policy of branch closures with a view to maintaining Lancelyn Court Post Office.

And the Petitioners remain, etc.]

[P000060]

Boston Bypass (Lincolnshire)

7.52 pm

Mark Simmonds (Boston and Skegness) (Con): I wish to present a petition, signed by 11,500 people, on behalf of the residents of the borough of Boston and the Boston bypass pressure group.

The petition states:

The Petition of people of Boston and the Boston Bypass Pressure Group,

Declares that they are dissatisfied with the short-term road strategy proposed by Lincolnshire county council for Boston and want a major road scheme to allow traffic to flow around, and have access to, the town centre, to ease the appalling congestion and prevent damaging economic and environmental impacts upon Boston.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Transport to give recognition to the needs of the failing road infrastructure of Boston and South East Lincolnshire; and further urges the Government to make Boston a special case for investment to improve the social, environmental and economic conditions of the town.

And the Petitioners remain, etc.

[P000075]

Post Office Closures (Merseyside)

7.53 pm

Mr. Joe Benton (Bootle) (Lab): I present petitions, which I support, to the House on behalf of approximately 4,000 constituents with regard to the proposed closure of the Aintree road and Daleacre drive post offices in my Bootle constituency. Post Office Ltd appears to have disregarded Government guidelines on the closure of urban post offices in these two cases, and these petitions request the intervention of the Secretary of State for Business, Enterprise and Regulatory Reform.

Following is the full text of the petitions:

[The Petition of those affected by the closure of the Daleacre Post Office in Bootle,

Declares that the relevant area plan proposal gives no reasons or justification for the closure of this Post Office and merely refers to sets of statistics i.e. population, car ownership etc., which on their own are meaningless. The Post Office Ltd. should extend the consultation period to allow for a proper consultation to take into account all the social factors of the area including the pensioner population and effects on local businesses compared to other Post Offices in the area, to which there is no reference in the area plan proposal.

The Petitioners therefore request that the House of Commons urges the Department for Business, Enterprise and Regulatory Reform to make representations to the Post Office Ltd. to extend the consultation period and hold a meeting with a delegation of representatives from the community.

And the Petitioners remain, etc.

[P000080]

[The Petition of those affected by the closure of the Aintree Road Post Office in Bootle,

Declares that the relevant area plan proposal gives no reasons or justification for the closure of this Post Office and merely refers to sets of statistics i.e. population, car ownership etc., which on their own are meaningless. The Post Office Ltd. should extend the consultation period to allow for a proper consultation to take into account all the social factors of the area including the pensioner population and effects on local businesses compared to other Post Offices in the area, to which there is no reference in the area plan proposal.

The Petitioners therefore request that the House of Commons urges the Department for Business, Enterprise and Regulatory Reform to make representations to the Post Office Ltd. to extend the consultation period and hold a meeting with a delegation of representatives from the community.

And the Petitioners remain, etc.

[P000081]

Farepak

7.54 pm

Jessica Morden (Newport, East) (Lab): I present this petition of more than 1,000 signatures on behalf of Deborah Harvey. She is one of my constituents and a former Farepak agent who has campaigned long and hard for justice for those affected by the company's collapse. The petition

requests that the House of Commons urges the Prime Minister to speed up the process of paying money back to the affected customers before Christmas this year; and further urges that if any culpability is found against any of the directors of Farepak that action will be taken and will he ensure that previous honours bestowed to them, if any, will be removed.

And the Petitioners remain, etc.

Following is the full text of the petition:

[The Petition of those affected by the collapse of Farepak,

Declares that the collapse of Farepak in October 2006 caused 122,000 people to lose their Christmas savings; that many families suffered financially and emotionally from that loss; and that they deserve reimbursement. Furthermore, it has been over a year since the collapse of Farepak and it is unlikely, according to the administrators, that any money will be paid back to its customers by Christmas this year.

The Petitioners therefore request that the House of Commons urges the Prime Minister to speed up the process of paying money back to the affected customers before Christmas this year; and further urges that if any culpability is found against any of the directors of Farepak that action will be taken and will he ensure that previous honours bestowed to them, if any, will be removed.

And the Petitioners remain, etc.]

[P000082]

M25 Noise Pollution

7.55 pm

Mr. David Gauke (South-West Hertfordshire) (Con): This petition relates to the widening of the M25 and the concern of a number of my constituents living close to it that inadequate steps are being taken to reduce noise pollution. As a resident of Chorleywood, which is near the M25, I declare that I am affected by this.

The Petition of residents of Chorleywood and others from the constituency of South-West Hertfordshire and others,

Declares that a large number of homes which are very close to the M25 near and between Junctions 17 and 18 suffer from considerable noise pollution from the motorway and that the forthcoming widening of the M25 will exacerbate this problem.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Transport and the Highways Agency to take effective measures to reduce the level of noise produced by the M25 near and between Junctions 17 and 18, including the provision of low noise surfacing of the motorway and effective noise-absorbing fencing.

And the Petitioners remain, etc.

[P000084]

Assisted Reproduction Services

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Alan Campbell.]*

7.56 pm

Dr. Ian Gibson (Norwich, North) (Lab): I wish to put into context a few remarks about assisted reproduction. It is indeed a large-scale subject, which could take hours and days to go through, but several issues are important, particularly in respect of some of the legislation being introduced after the Christmas break. We have to consider some of those issues.

Let me put the subject in context first. Figures published yesterday by the Office for National Statistics show that the population of the UK is growing at the highest rate since the 1960s and that total fertility rates have risen since 2001 from a record low of 1.63 children per woman to 1.84 children per woman in 2006. Indeed, it is interesting to note that they are now at the highest levels since the 1980s. In the 1980s and 1990s, the fertility rates of women in their 20s were actually declining. Since the 1970s, as more women have entered higher education and the labour force they have been increasingly delaying reproduction into their 30s or 40s and this has led, I think, to a greater need for assisted reproduction. That seems to correlate with the demand for assisted reproduction.

The rise in fertility over the past five years, as reported by the statistics unit of the ONS, is a result—it says—of a large increase in immigration from abroad, as well as the increased support for child care and the maternity legislation introduced, of course, by the Labour Government. The ONS points out that some 20-odd per cent. of births were to people who were born abroad. There is some argument about that and its relevance, but it implies that immigration can develop fertility rates in this country to a higher level. That has yet to be shown over a period of time.

The general trend in Britain towards a declining birth rate is mirrored in western Europe. Several factors, such as lifestyle factors, an increase in sexually transmitted diseases and a rise in obesity, as well as environmental factors involved in urbanisation and urban lifestyle that affect fertility, have led to a rise in male and female sub-fertility. There are also socio-economic factors, which have allowed couples, as I say, to delay having children. Lack of affordable housing, flexible and part-time career posts for women, and affordable and publicly funded child care have contributed to those low fertility and birth rates.

Couples are delaying starting a family, which has led to a decline in fertility levels due to ovarian ageing and related reasons that have led to a reduced chance of conception. Other factors include tax increases, changes in national insurance and so on, but the main thing I am trying to point out is that the reproductive rates and the need for assisted reproduction are reflected in wider events in our society.

However, I do not want to talk only about reproduction and social issues; I want to spend some time on the issues of scientific service and assisted reproduction treatments. I have a feeling that unless we are careful, the debate on the Human Fertilisation and Embryology Bill will get taken over by a lot of bioethical issues, as we saw in the recent debate in the Lords, and we will end up talking about regulation, rather than considering the new scientific endeavours that are coming forward. Of course we must debate bioethics—no one is against that—but I want to talk about assisted reproduction and some of the things that are happening.

We talk about in vitro fertilisation, but in practice assisted reproduction is more than that. It includes all fertility treatments—ovulation induction, interuterine insemination and gamete intrafallopian transfer, as well as IVF. There are various ways to add eggs and sperm together to allow the conception of a child, yet we regulate only IVF. We do not consider whether the other ways of developing an embryo should be regulated. That is quite obvious in the Bill, which is lacking in that those other technologies are not considered. I guess we think that IVF will be the only treatment in the future. Because of that, we worry about the welfare of the children and about the need for a father—all these issues are being debated—but what about the welfare of the woman and the effects of treatments on her? For example, ovarian stimulation, whereby women are, in my opinion, overdosed with vast amounts of hormones, is being shown to be quite unnecessary. A single dose of a hormone or a reduced level can be just as effective in producing eggs and, at the end of the day, the embryo.

In the regulation of assisted reproductive technologies, medical practices, laboratory practices and new technologies and research are all regulated by the Human Fertilisation and Embryology Authority, which has concentrated on those areas. There are inconsistencies in clinical protocols, the uses of drugs, dosages and practices. People, particularly women, are confused about the gross inconsistencies in clinical practices and they feel vulnerable. I think that the entire service should be delivered within the NHS, but I am not going to say that people are being forced into the private sector, to pay astronomical sums of money to receive any of those treatments, many of which have certainly not been scientifically studied or undergone proper clinical assessment.

In my opinion, the Healthcare Commission has been efficient in regulating and monitoring clinical practices, looking at clinical complications, including morbidity and mortality, and taking effective action where necessary. Perhaps the Healthcare Commission should regulate IVF medical practice, with advice from the National Institute for Health and Clinical Excellence, the Medicines and Healthcare products Regulatory Agency and the royal colleges. We need an efficient and accessible clinical watchdog, but that is not proposed in the Bill at all. We are talking about legislation to deal with assisted inception involving IVF treatment, which is the mainstream clinical treatment, but we need a watchdog—a Government or parliamentary body—to address how it should be assessed and funded. Joining two bodies together seems to have been rejected, with a single body being put forward. We need to debate that. All those issues will have to be discussed in the debate on the Human Fertilisation and Embryology Bill, but I have my worries that that will not happen.

My further worry is that people will tag on amendments to the Bill about abortion. I am quite prepared to stand and argue about the principles of abortion for days and days, as are other people; but if we are not careful, abortion will be tagged on to the debate through amendments and take it over, meaning that the issues that I am raising will not be reflected in the good legislation that all sides recognise we need, in terms of the outcomes of research and so on.

We also want a clear and comprehensive presentation of information to the wider public. Term live birth rates should be a measure of success rates. League tables are published in *A Patient's Guide*, but I think that it contains misleading information, and that detailed information about clinical trials should be included. Information about complications, morbidity and mortality rates per clinic should be published, not just success rates. The public need to know all that as well. It would be good if reports followed up what happened to the women involved and their children at different stages in their lives, but we do not have much information about that either.

I think that if we are not careful, we will not get through all the issues that will be discussed when the Bill is debated. We will spend a great deal of time discussing all the ethical and moral issues surrounding the decision of same-sex couples to have babies, and we will also be expected to try to discuss abortion, which will be quite impossible. I think—and I hope the Minister will comment on this—that either a Joint Committee or a House of Lords Committee should consider abortion in its own right, taking account of all the evidence that is presented. I do not mean just scientific and medical evidence, but evidence dealing with the moral and ethical aspects. A House of Commons Committee was established, but examined only the scientific aspect. The issue should be seen as a whole in the context of the society in which regulations will be implemented.

Will patients be charged for eggs? Will fees be charged for individual cycles? Will three cycles be necessary, or will one be sufficient if less hormone is needed for stimulation purposes? I initiated a debate on the issue in Westminster Hall a few months ago, when my right hon. Friend the Member for Doncaster, Central (Ms Winterton) was the Minister responsible for public health. I think she considered the points that I made, and I should be pleased to hear whether there have been any developments in relation to reduction in the use of hormones which, in my opinion, seriously affect embryos and women's health. I believe that smaller doses could produce equally high success rates.

That leads to the question of the number of embryos that are being implanted. We want only one to be implanted; we do not want multiple births and all the concomitant problems that may arise. According to Scandinavian countries, current technologies can be quite successful in developing a single embryo that proves healthy and able to bring satisfaction to people's lives. People want to have children, or to continue to have them, but for various reasons—which I have outlined—cannot have them. It is possible that infertility is more rife than it used to be.

I want to say a little about survivors of cancer, particularly young people who receive severe treatment and whose ovaries may be damaged if it continues for a long time. It is their choice, or that of their parents or loved ones, but I think there should be a way of determining whether the sperm and egg should be stored for use in later life, after they have recovered. We had a ceremony today involving CLIC Sargent, which is involved in such cases. Thankfully many young people have recovered—survivorship is the name of the game for young people with cancer now—but many have been severely affected at one stage in their chemotherapy treatment, and the treatment may have damaged their eggs or sperm. We need a mechanism to ensure that if they want assisted-reproduction techniques to be applied to their sperm and eggs, those techniques are available. I do not think that such issues are entirely reflected in the Bill.

Many people have drawn attention to the continuing problem of postcode prescribing. The way in which primary care trusts operate the technologies varies greatly—they are available in some areas but not in others—and I think we need a proper analysis of the position. We hear about drugs, but we should know more about the technologies. I am excited about all the new possibilities, and the way more people are being give the right to have children. However, when we are drawing up a human embryology Bill, we should ensure that it reflects all the developments that are taking place out there. We should not nit-pick when it comes to technologies. We should not regulate some and fail to regulate others. Hopefully we will not regulate some of them; self-regulation may be possible. However, I doubt that very much, when we still have strong private sectors in the health service and we are coming from a situation where assisted reproduction is still costing those who are rich and can afford it lots of money and other people cannot afford it and cannot have the treatments. That is a real challenge for the Government and these issues will come to the fore during the debate on human embryology. We must talk about it fully, and not just nit-pick. I speak as somebody who chaired the Select Committee that dealt with this issue, and who has the scars on my back to prove it. I also served on the Joint Committee. Everyone thought it was an interesting area to discuss, but they felt disquieted afterwards that many issues had not been touched on. I hope the Minister will pick up on that and be able to say whether we will be able to do a good job or an excellent job.

8.10 pm

The Minister of State, Department of Health (Dawn Primarolo): I congratulate my hon. Friend the Member for Norwich, North (Dr. Gibson) on securing the debate, which is on a subject of great concern to many people in all our constituencies. May I begin by making a few remarks on his comments on the Human Fertilisation and Embryology Bill, which is currently being discussed in another place? It provides not only for in-vitro fertilisation to be regulated, but for donor insemination and artificial insemination to be regulated, and it has recently been extended to cover the regulation of donor sperm services provided through the internet. The remit of the regulations for fertility treatment was considered by scrutiny of the draft Bill in a Joint Committee of both Houses. In responding to the report, the Government took note of the strong arguments that had been put.

Although the Bill is not the subject of the debate, may I remind my hon. Friend that its main provisions are to ensure proper regulation of all human embryos that are outside the body, whatever the process used in

[Dawn Primarolo]

creation? It is also about the regulation of embryos created from combined human and animal genetic material for research. It will make sure that there will continue to be a ban on sex selection of offspring. It recognises family and social support and the best interests of the child. It also makes alterations by lifting some of the restrictions on collected data to make it easier to do follow-up research. May I also remind my hon. Friend that abortion is not included within the scope of the Bill and that that will be a matter for this House?

My hon. Friend also touched on the important question of the services available now through the national health service for those seeking fertility treatments. Since becoming the Minister for public health, I have, as we would expect, received letters from people who cannot have a child and find that their local primary care trust cannot help them immediately. In some cases, their PCTs have said that they cannot help them at all. Those letters express the distress people feel in that situation—the impact of finding out that their family will not happen as planned, and in many cases the sense of being let down by the national health service.

My hon. Friend referred to a postcode lottery in prescribing. There are of course many other people who do receive NHS fertility services, and I hear far less from those people, as we would also expect. Even so, those receiving IVF treatment are unlikely at present to be receiving up to the three cycles of IVF as set out in the National Institute for Health and Clinical Excellence guidelines. I have made it clear in this House that I am concerned about this inequitable access to IVF, and I have no hesitation in saying today that we need to address that. In a moment, I shall update the House, and my hon. Friend in particular, about the further steps being taken.

My hon. Friend spoke with a great deal of feeling about the ways in which we could look at assisted reproduction treatments differently, encouraging lower doses of drugs and ensuring that all the treatments are regulated in the best possible way. The Bill's proposal is precisely to undertake that. I would be pleased if he were to write to me in detail, if he feels able, about the particular points and concerns that he is raising.

More generally, clinicians and others may have evidence about particular treatments, including new ones. The Department of Health has asked clinicians who favour minimal assisted IVF to give evidence directly to the National Institute for Health and Clinical Excellence. In progressing this approach, it must be made clear that where clinicians and others have evidence about treatments, which may be new or not commonly practised, it would be helpful if such information was made available to NICE. In 2008, NICE will be assessing whether its fertility guideline needs to be updated and, if so, to what extent. It is right that it should have the information in order to take that decision. I implore my hon. Friend to follow that approach.

Having acknowledged that access is inequitable, I am developing a programme of work to improve the way in which NHS IVF services are provided. My hon. Friend touched on that issue. Because of the differences, and to try to ensure continuity, we are funding the leading fertility patients' support organisation, Infertility Network UK, to work with the NHS to identify and share best practice in the provision of IVF. Infertility Network UK is visiting a selection of primary care trusts, which have a range of types of provision, to explore the differences and to ensure that good practice is identified and shared. The visits are in progress. Meetings with about 12 PCTs have either taken place or are in hand, and more will be arranged.

Recognising the continuing variation in provision—my hon. Friend touched on that—we have extended the project's remit. In July, I announced that the NHS, with Infertility Network UK, will develop social access criteria to help PCTs to develop a standardised approach across the county for providing couples with NHS treatment. We have also announced that we will monitor IVF provision to help identify where further work is required to assist PCTs in assessing the needs of fertility patients and to deliver services in an equitable way. Many of the points that my hon. Friend touched on will be dealt with.

Monitoring has begun to examine what is happening in the different PCTs. A survey carried out through strategic health authorities asked questions about the level of IVF provision, expenditure and local access criteria. So far, the response rate has been 90 per cent.—we are chasing up the remainder. We shall consider the best way of achieving long-term IVF monitoring on many of the issues that have been identified and on IVF's availability.

The replies to the survey unfortunately show continued variation from PCT to PCT, and that is frustrating for patients. That goes to the heart of the point that my hon. Friend raised about access to accurate and standardised information about the treatments. However, the vast majority of the PCTs are providing at least one cycle of IVF, although some are not transferring any embryos that have been frozen and stored. I wrote to PCTs about that when I came to office in the summer.

The survey currently shows that some 30 PCTs provide two or more cycles of IVF, and we will verify that as soon as we can. We are setting up an expert group to advise on the work, with the NHS and the Infertility Network UK. That may not go as far as my hon. Friend suggests, but it offers a good starting point. I have written to the Chairman of the Health Committee to tell him and the Committee members of our intentions. The group will have a broad remit to identify the barriers to full implementation of the NICE fertility guidance and to provide advice, support and information to overcome those barriers. There are other issues that we may need to reflect on following this debate.

As well as the discussion of NHS infertility provision in the other place, the Human Fertilisation and Embryology Authority has called for a professionally led national strategy to reduce multiple births that occur following fertility treatment and that contribute to a significant number of premature and low-weight babies. As the expert group looks at the range of issues relating to NHS IVF and provides advice, I will ask it to advise on that issue specifically, and it will have much to consider, as this brief debate indicates.

I hope that I have been able to give some indication to my hon. Friend of the progress that we are trying to make in this important area on many of the topics that he has raised in the House this evening. I welcome his thoughtful comments in today's debate and thank him for his contribution. I assure him that in taking forward the proposals that I have outlined to the House I will reflect again on the points that he has made. As he rightly says, when the Human Fertilisation and Embryology Bill comes before the House it will offer a further opportunity to explore these matters.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes past Eight o'clock.

House of Commons

Thursday 13 December 2007

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

PUBLIC ACCOUNTS COMMISSION

The Chairman of the Public Accounts Commission was asked—

Corporate Governance

1. **David Taylor** (North-West Leicestershire) (Lab/Co-op): When the report of the review of corporate governance at the National Audit Office will be published; and if he will make a statement. [173647]

Mr. Austin Mitchell (Great Grimsby): I have been asked to reply on behalf of the Public Accounts Commission. The NAO review of corporate governance is being led by John Tyner, former chief executive of the Financial Services Authority. He will report to the commission in the latter half of January, and the report will be published in February, as soon as the commission has had a chance to discuss and comment on it.

David Taylor: The NAO's weak track record in revealing corruption in some arms deals and the economic lunacies of the private finance initiative might be rooted in the opaque and cosy links that apparently exist between it and the private sector. Does my hon. Friend hope that this review will at last allow arm's length, objective reporting of those areas, fully to expose the activities of rapacious consultants and incompetent top civil servants, whose combined connivance is landing our nation with such murky, inflexible contracts and utterly prohibitive debts?

Mr. Mitchell: My hon. Friend will realise that the art of answering parliamentary questions is to provide the necessary information while giving as little away as possible, and I come to that art a little late in life. However, I must tell him that all the points he raises are, in fact, the responsibility of the Public Accounts Committee rather than the Public Accounts Commission. I should add on behalf of the commission that we have found no evidence of impropriety in the expenses of the Comptroller and Auditor General. We have put the expenses on a new financial basis that aligns them with those of permanent secretaries. The NAO has committed itself to full transparency on hospitality received by the comptroller and his senior management board. All that hospitality information and expenses will now be published on the commission's website, which is a major advance.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Clergy (Security of Tenure)

2. **Mr. Philip Hollobone** (Kettering) (Con): What assessment the Church Commissioners have made of the potential effect of the draft Ecclesiastical Officers (Terms of Service) Measure on the security of tenure of clergy. [173648]

The Second Church Estates Commissioner (Sir Stuart Bell): The legislation to which the hon. Gentleman refers will improve the security of tenure of the clergy and ensure that they are able to exercise the duties of their offices competently.

Mr. Hollobone: How would the hon. Gentleman reply to the following comments of my constituent, the Rev. Stephen Trott? He writes:

> "Common Tenure is just an empty title, devoid of any stated value, to be defined not by Parliament, which at present guarantees our rights, but by the Archbishops' Council. In return, every parish will have to hand over its parsonage house, and every incumbent will in due course lose their protection under the law, in return for"—

only—

> "limited access to employment rights."

Sir Stuart Bell: Father Trott is a constituent of the hon. Gentleman and a member of the Church Commissioners board of governors. He has not yet written to me on this subject, but I am sure he will shortly do so. At the heart of the reforms is the desire to give security to the 4,000 stipendiary and 3,000 non-stipendiary clergy who hold office under time-limited licences. The legislation gives clergy rights equivalent to those that employees have had under section 23 of the Employment Relations Act 1999, as requested by the Government. I will be glad to take up the matter in relation to the Archbishops Council directly with Father Trott.

Carbon Dioxide Emissions

3. **Miss Anne McIntosh** (Vale of York) (Con): What plans the Church Commissioners have to reduce emissions of carbon dioxide from the Church estate. [173650]

Sir Stuart Bell: The commissioners and the other national Church institutions are committed to the Church's shrinking the footprint campaign, as part of which they are seeking to understand and reduce their energy consumption and promote environmental best practice.

Miss McIntosh: I thank the hon. Gentleman for that reply, and I welcome the Archbishop of Canterbury's commitment to reducing the Church's carbon footprint. What impact are the increasing number of thefts of lead from church roofs and property having? Presumably, that is hampering efforts to reduce the carbon footprint, because the Church will incur considerable expense to pay for something for which there might be no budget.

Sir Stuart Bell: The hon. Lady puts an intriguing question. The world economy is such that China's taking all the world's lead is pushing up prices in our country, and lead is being stripped off church roofs. That is an interesting phenomenon, and I might be able to answer that question later.

As the hon. Lady has said, the shrinking the footprint campaign has the personal commitment of the Archbishop of Canterbury, whose presence at our parliamentary carol service yesterday evening was most appreciated. The General Synod supports this ambitious campaign. The Archbishop has said that

> "for the Church of the 21st century, good ecology is not an optional extra but a matter of justice. It is therefore central to what it means to be a Christian."

"Fair trade begins at home"

4. **Robert Key** (Salisbury) (Con): What response the Church Commissioners have received from the Government to the report "Fair trade begins at home" produced by the Church's ethical investment advisory group. [173651]

Sir Stuart Bell: Following the report's publication on 5 November, it was sent to the Secretary of State for Environment, Food and Rural Affairs and to Ministers responsible for food, farming and the rural economy. We have not yet received either a formal or informal response, but we shall be in touch again in the new year.

Robert Key: I hope that means that Ministers will be reading the report over Christmas. I hope that it will also be read by all retail managers in the food industry. Will the hon. Gentleman examine the website of the Farm Crisis Network, which is another initiative taken by the Church of England? In parallel with the Samaritans, it provides specialist advice to those in the rural community and to farmers, who are very hard hit at the moment, to encourage and help them through this difficult period.

Sir Stuart Bell: I appreciate the hon. Gentleman's concern. I know that he represents a large rural community and I congratulate him on representing the interests of farmers from that community. He will know that the Church shares some of the concerns outlined in the "Fair trade begins at home" report, which warns of the powers of the big supermarkets in putting farmers' livelihoods at risk. He will be pleased to learn that some of the commissioners' farmer tenants were involved in its production. Ministers have received a copy, and I shall ensure that one is placed in the House of Commons Library.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Electoral Register

5. **John Robertson** (Glasgow, North-West) (Lab): What estimate the Electoral Commission has made of the numbers of students on the electoral register. [173652]

Peter Viggers (Gosport): The Electoral Commission informs me that students are not separately identified as a category on the electoral register, and that it has not made such an estimate.

John Robertson: I thank the hon. Gentleman for his answer, but I find it very disappointing. My information is that about one in five students fails to register. Does he agree that universities and halls of residence should take responsibility for handing out registration forms and ensuring that they are filled in?

Peter Viggers: The hon. Gentleman might be referring to the Electoral Commission's report "Understanding electoral registration", which said that the level of non-registration among students was about 22 per cent. The figure was based on a very small sample from the 2001 census data, no cross-check was done on whether students were registered at their parents' address and the actual number who are non-registered might be lower. I assure him that the Electoral Commission sees encouraging registration as one of its central duties, and it certainly encourages registration among the young and students.

David Howarth (Cambridge) (LD): I wonder whether the hon. Gentleman has come across another aspect of student registration that might well have caused a serious problem had a November election taken place. First-year students coming to university in late September and early October would have registered on the annual canvass, but that would not have got them on to the register in time for the election, whereas students who managed to get hold of a rolling registration form would have been registered in time. That would have caused immense confusion and anger at polling stations had an election been called in November. Does the Electoral Commission have any proposals to ensure that that potential problem does not become a reality?

Peter Viggers: The hon. Gentleman makes an important and detailed point. The Electoral Commission is focusing on its twin objectives of regulating party and election finance, and delivering well-run elections. One of the aspects that it is examining under the latter heading is the timing of registration, which the hon. Gentleman mentioned.

Mr. Mike Weir (Angus) (SNP): I should perhaps declare an interest, as I have a daughter who is at university. In my experience, halls of residence automatically register students on the electoral register—at least, they do so in Aberdeen. I campaigned in an inner-city constituency in the Scottish parliamentary elections, and I found that the problem is in the private rented sector, where the electoral roll is often woefully out of date and where no one who lives in a block of flats is on it—many of the people involved are students. Has the Electoral Commission considered whether that is because of the changes in the way in which people are put on the electoral register?

Peter Viggers: One point that the Electoral Commission has made strongly is that it recognises that the current system involves the head of household registering all those in the household. Of course the definition of "head of household" can vary—it can be based on residence or on halls of residence. The Electoral Commission has strongly urged the Government to move to a system of individual registration, and it regrets that they have so far failed to accept its recommendation.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Equity Investments

6. **Hugh Bayley** (City of York) (Lab): What proportion of the Church's equity investments are in African companies. [173653]

The Second Church Estates Commissioner (Sir Stuart Bell): The Commissioners do not currently directly own shares in any African listed companies.

Hugh Bayley: I know that my hon. Friend recognises that we in England have responsibilities to help the poor in Africa. Aid is important, but investment, especially in African-owned businesses, is the way to provide Africa with a sustainable means to enable the people to climb out of poverty. Would the Church of England consider establishing a venture capital fund in Africa, in part because of the very high returns that African investments currently provide?

Sir Stuart Bell: My hon. Friend might like to know that we have exposure to emerging markets equities of some £180 million, or 5 per cent. of our total equities exposure, held predominantly in pooled investment vehicles that are invested mostly in Asia, eastern Europe and Latin America. There is, I have to admit, little underlying exposure to Africa—in fact, well under 1 per cent. of our total equities exposure. My hon. Friend's point is well made and I will certainly take it back to the commissioners.

Academy Sponsorship

7. **Bob Russell** (Colchester) (LD): What discussions the Church Commissioners have had with the Department for Children, Schools and Families about Church sponsorship of academies. [173654]

Sir Stuart Bell: The staff of the Archbishops Council's education division are in daily contact with the Department for Children, Schools and Families, at both ministerial and officer level, over the development of academies sponsored by the Church of England.

Bob Russell: As someone who had a Christian upbringing, albeit non-conformist—good non-conformist stock—may I suggest that the diocese of Chelmsford be advised that being involved in the closure of two community secondary schools and then imposing an Anglican academy in south Colchester is not the way to win hearts and minds?

Sir Stuart Bell: All the Church of England academies are largely for local pupils and the majority have no faith criteria for admission. Church schools do not set out to convert pupils, but, rather, to nurture, affirm and challenge within a community founded on Christian values. I am sure that the hon. Gentleman, with his educational background, will not disagree with that.

Places of Worship (Theft)

8. **Mark Pritchard** (The Wrekin) (Con): What discussions the Church Commissioners have held with the Association of Chief Police Officers on ways of preventing theft from places of worship. [173655]

Sir Stuart Bell: The Ecclesiastical Insurance Group, which insures most Church of England churches, has been discussing such thefts with the Association of Chief Police Officers and the Archbishops Council, and provides advice on security measures. The commissioners keep a close eye on the discussions.

Mark Pritchard: I thank the hon. Gentleman for that reply, but with six churches a day being plundered for their lead, copper and even bells, is it not time that the police had a more pro-active and national strategy to deal with the issue? In the deanery of Edgmond and Shifnal in my constituency, more than £25,000 worth of lead has been stolen in just the past four months. That has got to stop and the police have to be more pro-active.

Sir Stuart Bell: I am grateful to the hon. Gentleman for drawing the House's attention to that serious and difficult problem. The Church Commissioners are talking with the Association of Chief Police Officers and take the matter extremely seriously. We have a dilemma in the Church, because we believe that churches should be open, active and well visited, and that that is more likely to deter theft or vandalism. The Churches Tourism Association is working to help to keep churches open and improve accessibility. Without being too humorous, let us hope that China imports less lead, the price comes down and such thievery is not necessary.

Mr. Christopher Fraser (South-West Norfolk) (Con): Norfolk is one of the worst-hit areas for the theft of lead from church roofs. Why are separate statistics not available for that offence? Does he agree that it would be useful to record instances of that offence separately so that the Government may appreciate the full scale of the problem?

Sir Stuart Bell: The hon. Gentleman makes a good point. I should point out that the Ecclesiastical Insurance Group has provided a security marking system free of charge to all churches as well as advice on security matters. In addition to the question of church lead, churches should also consider locking away their valuables, fixing furniture and paintings and encouraging local people to visit the church as part of their daily routine.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Prostitution

13. **Tony Lloyd** (Manchester, Central) (Lab): What her policy is on the prosecution of offences associated with prostitution and kerb crawling. [173639]

The Solicitor-General (Vera Baird): Our policy is to consider alternatives to prosecution to help prostitutes to find a route out of prostitution while emphasising the need to arrest and prosecute kerb crawlers. That is part of a strategy to focus enforcement action on the purchasers who create the demand.

Tony Lloyd: I thank my hon. and learned Friend for that answer, which I find reassuring. In areas such as my constituency, where there are two locations where street prostitution is known, people find kerb crawlers to be the nuisance. Many people are sympathetic to the view that driving prostitutes further underground puts women who are already at risk at even greater risk. Will my hon. and learned Friend confirm that the Government's strategy is not to make the prostitute's position even more dangerous?

The Solicitor-General: I can confirm that. I compliment my hon. Friend for taking a long interest in the care of women in prostitution in the two areas of his constituency. I completely agree that crackdowns on kerb crawlers must be carried out in conjunction with diverting prostitutes through appropriate local projects. I am impressed by the strategy employed in my area of Cleveland, where referral workers are available in custody suites and work closely with police and vice units to ensure that women who are stopped by the police can be referred to appropriate services straight away.

Mr. Philip Hollobone (Kettering) (Con): Next year, the Under-Secretary of State for the Home Department, the hon. Member for Gedling (Mr. Coaker), will visit Sweden and the Netherlands to look at measures introduced to tackle the demand side of the prostitution equation. Will the Solicitor-General consider accompanying him?

The Solicitor-General: I intend to go with my hon. Friend to Sweden to look at those measures and to do the best comparative study that we can, so that we can fully inform ourselves. The hon. Gentleman was on the Committee that considered the Criminal Justice and Immigration Bill, so he will have heard my hon. Friend announce that we will review the way in which we tackle demand to see whether we need to be tougher. That trip and other research will feed into the review.

Fiona Mactaggart (Slough) (Lab): Has my hon. and learned Friend seen the research report entitled "It's just like going to the supermarket"? It suggests that our interventions with men who buy sex are not particularly effective, and that it would be more effective to reduce the normalisation of the commercialisation of sexual relationships that underpins those men's belief that they are entitled to buy women's bodies.

The Solicitor-General: Yes, I have seen that research. Indeed, I attended the launch in Whitechapel. The report contains interviews with a range of different men who use prostitutes. At times during their interviews, they referred to it as being just like going to the supermarket to buy any other commodity. They said that they would not be deterred if it were a criminal offence, but different research suggests that they would be. We must see what the best approaches are, and that is why we are reviewing demand.

Violence Against Women

14. **Sarah McCarthy-Fry** (Portsmouth, North) (Lab/Co-op): What the policy of the Crown Prosecution Service is on prosecutions involving violence against women. [173640]

The Solicitor-General: The Crown Prosecution Services recognises the devastating impact that violence against women can have on victims, their families and communities and, more broadly, on the drive towards equality for women. We will prosecute such offences robustly, and, to that end, the CPS is consulting on its violence against women strategy, which sets out how it will improve co-ordination and the prosecution response.

Sarah McCarthy-Fry: I thank the Solicitor-General for that answer, but we need to persuade women victims of violence to come forward, bring charges and give evidence if we are to achieve successful prosecutions. In my constituency, we have an excellent track record, with many organisations supporting women to do just that. In the summer, I visited the family justice centre in Croydon, where those agencies are collocated in the same building with police, social services and housing services. Does my hon. and learned Friend think that we should promote new ways of working that will encourage more women to come forward and give evidence so that we can achieve more successful prosecutions?

The Solicitor-General: Yes, I do, and the CPS has been in the vanguard of that approach. Its deliberate policy is to have local prosecutors engage with local voluntary organisations that support women, so that places that are likely to be the first ports of call for victims of domestic violence can be reassured that the CPS is right behind them. My hon. Friend will know that we now have a system of specialist domestic violence courts that are much more understanding of the context in which domestic violence takes place. In addition, there are now a large number of independent domestic violence advocates who befriend a woman once she makes a complaint and who stay beside her all the way through proceedings. We have made progress, and the CPS is truly at the forefront of what we are doing.

Sir Nicholas Winterton (Macclesfield) (Con): The hon. Member for Portsmouth, North (Sarah McCarthy-Fry) is absolutely right in what she says. Violence against women is alien to everything that is decent, but will the Solicitor-General accept that the punishment in such cases must be severe if it is to deter violence? I believe that that is the only way for society to show that it is totally opposed to violence against women.

The Solicitor-General: I am very pleased indeed to get such wholehearted support from such a distinguished Member of the House. I agree completely that sentencing must be appropriately harsh so that the very clear message is sent out that domestic violence—and all violence against women—will not be tolerated. There is no offence of domestic violence, so any punishment will depend on the level of assault that finally brings someone to court. However, the domestic violence courts are fully aware of the context in which such crimes occur, and they well understand that a woman is likely to have suffered many assaults before she makes a complaint. I am sure that they contextualise their approach to perpetrators in that way.

Mrs. Ann Cryer (Keighley) (Lab): Although lots of women come forward and report crimes of violence against them, many subsequently withdraw the complaint. Do the domestic violence courts encourage women to stay with the claims that they make, and not withdraw them?

The Solicitor-General: Yes, they do. The role of the independent domestic violence advocate is literally to befriend the person making the complaint and then to drive the prosecution in the sense of making sure that her interests are represented at all times. The IDVA also tries to take from the complainant the burden of other problems caused by reporting domestic violence. For instance, the woman involved might have to move house or her children, or she might need help with child care if previously her in-laws had helped with that. She can be relieved of all such burdens by the IDVA, who will be a professional with good networks in the public services. It is hoped that a claimant will be sustained by that support and have the energy needed to take a prosecution through.

Attorney-General

15. **Simon Hughes** (North Southwark and Bermondsey) (LD): What recent representations she has received on the future role of the Attorney-General; and if she will make a statement. [173641]

The Solicitor-General: The Government's consultation on the Attorney-General closed on 30 November. We received about 50 written responses and the Attorney-General held a number of seminars and meetings with interested parties. That included a useful session with Members of this House and the House of Lords, to which the hon. Gentleman and the hon. Member for Beaconsfield (Mr. Grieve) contributed. The Government will consider all the views expressed and will announce their conclusions in the near future.

Simon Hughes: I am grateful to the Solicitor-General and the Attorney-General for the consultation, which was very effective and inclusive. The Law Officers often give the Government advice as a matter of course about the interpretation of the law or the meaning of legislative proposals that is easy to disclose. However, on other occasions Ministers present policy propositions to Parliament that they argue are justified because advice has been taken from the Law Officers. Does the Solicitor-General accept that there is now an overwhelmingly strong case that such advice should be published automatically? The most obvious recent, public and famous example of that is the advice that the Government received about the legality of the invasion of Iraq.

The Solicitor-General: I have two points. First, nobody could possibly expect me to pre-empt a consultation that finished only two weeks ago, so I shall not do so. Secondly, the position is far from the way the hon. Gentleman chooses to couch it. No Minister ought to disclose that there has ever been legal advice from the Law Officers, let alone what it was.

Women and Equality

The Minister for Women and Equality was asked—

Imprisonment

21. **Mrs. Madeleine Moon** (Bridgend) (Lab): What recent discussions she has had with ministerial colleagues on alternatives to imprisonment for women. [173629]

The Minister for Equality (Barbara Follett): I have had many discussions with ministerial colleagues on this subject. As my hon. Friend knows, last week the Government published our response to Baroness Corston's review, in which we agreed to promote the effective use of community orders and set up projects, which will report next April, to look at alternatives to custody and review the future of the women's prison estate.

Mrs. Moon: In a report for the Prison Reform Trust, the New Economics Foundation estimated that savings of £18 million could be made if community-based sentences were available for the 2,000 non-violent women offenders who have been imprisoned. Will my hon. Friend hold cross-Government discussions so that we can submit to the review next year a full understanding of the costs and the effect on women and their children? We need to take into account the costs of health, housing, benefits and education, and care costs for children, to show the global cost of imprisoning non-violent women.

Barbara Follett: I appreciate my hon. Friend's concern about the issue and I am aware of her work for a women's prison in Wales, where there is none. It is one of the issues addressed in Baroness Corston's review, and it is why the National Offender Management Service put in a bid to set up Turnaround—the demonstrator project for women offenders in Wales. I shall do all I can to ensure that the costs of imprisoning non-violent women for short periods are made as transparent as possible.

Philip Davies (Shipley) (Con): Does the Minister agree that the courts should treat men and women equally when sentencing them, and that the best alternative to sending women to prison is for them not to commit crime in the first place?

Barbara Follett: Historically, men and women have not been treated as equals. At present, women make up 6 per cent. of the total prison population and there are not enough appropriate women's prisons. I value Baroness Corston's report, because it could lead us to a new way of treating women offenders.

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): When women are given a custodial sentence, often it is not just the women who are punished but their children, too. Children often end up in care, and as a disproportionate number of women in the prison system have been through the care system themselves we could be perpetuating a cycle. We must look at non-custodial sentences for non-persistent, non-violent women offenders to keep families together and maintain their stability.

Barbara Follett: I agree. At present, 8,000 children a year have their living arrangements disrupted by their mother's imprisonment, even if it is only a short period. That is why Baroness Corston's review recommended the use of intensive community sentences, and I am committed to them.

Women (Political Life)

22. **Ms Katy Clark** (North Ayrshire and Arran) (Lab): What steps the Government are taking to increase the representation of women in political life. [173630]

The Minister for Women and Equality (Ms Harriet Harman): The Government are committed to ensuring that our democracy is representative, and that means in local councils, the Welsh Assembly, the Scottish Parliament, the European Parliament and the House. The most effective policy for increasing women's representation has been making it lawful to have women-only shortlists for selection.

Ms Clark: My right hon. and learned Friend will be well aware that considerable strides have been made on this side of the House in increasing the representation of women in this place. However, unfortunately, large parts of Britain have still never had a woman representing them directly in this place, in a devolved Assembly or at council level. I should be grateful for her thoughts on what further can be done by Government and Parliament to ensure that women are better represented.

Ms Harman: We are committed to extending the legal provision that allows political parties, if they so choose, to increase women's representation in our democracy by allowing all-women shortlists. When I was first in the House of Commons, there were only 10 Labour women Members of Parliament, but because we used all-women shortlists we now have 96 strong Labour women Members of Parliament, who speak up for women in this country and champion issues such as child care and tackling domestic violence. The Conservative party, which eschews all-women shortlists, has increased its number of women Members of Parliament from 13 when I was first elected to the sum total of 17 now. I want to see more women Members on both sides of the House, but until the Conservatives have all-women shortlists, they will be doomed to fail.

Mr. Mark Harper (Forest of Dean) (Con): Perhaps the right hon. and learned Lady would like to congratulate the council in my constituency. After the recent local elections and a stunning Tory victory, nearly half the Conservative councillors are women—without using all-women shortlists—a woman leads the council and there is an excellent female chairman. Will the right hon. and learned Lady congratulate the Conservatives in Forest of Dean on that excellent performance?

Ms Harman: I do want to see more women in local government. I warmly support all the women in local government, who work not only in the economy and public services and among their families, but in the community as local representatives.

Mr. Peter Bone (Wellingborough) (Con): Congratulate them.

Ms Harman: I will congratulate them. My hon. Friend the Minister for Equality and I are concerned to ensure the proper representation of women of black and Asian ethnic origin. Black and Asian women are chronically under-represented. There are something like 176 women black and Asian councillors in the whole of England and Wales; if black and Asian communities were properly represented, there would be nearer 1,000. We have to ensure that there is proper gender representation in our councils, in Parliament and in the devolved Assemblies, but we also have to ensure diverse ethnic representation, so that this House reflects the communities that we seek to represent.

Fiona Mactaggart (Slough) (Lab): My right hon. and learned Friend will be aware that next year is the 90th anniversary of women's suffrage, which you, Mr Speaker, are generously hosting a reception to mark. Will she publish proposals for using the 90th anniversary to highlight the contribution that women have made to public life and the initiatives that she will take to increase the number of women in public life?

Ms Harman: I welcome my hon. Friend's suggestion and I will do exactly that. It is not just the numbers that are important. The women Members of Parliament who were elected in 1997, and also in 2001 and 2005, have made a difference to the political agenda discussed in the House. I can remember when there was virtually no discussion of maternity leave, domestic violence, or support for families caring for older relatives. Those things are particular preoccupations of women and their families. Women's representation has meant that people's lives are reflected much more accurately in the House of Commons.

Jo Swinson (East Dunbartonshire) (LD): Some women are put off becoming MPs because they think that the House has a rather sexist, male-dominated culture, and that the job is all about making speeches and engaging in aggressive debate, although that is actually a small part of the job. Does the Minister agree that, although all parties must continue their own efforts to get more women elected, there is also a need for a cross-party initiative to communicate better the fact that elected politics can be incredibly enjoyable and rewarding, and to change some of those negative perceptions?

Ms Harman: I think the important thing is to say to women and men that they should recognise that it is a great honour and privilege to be a Member of Parliament, to represent a constituency and to work for progressive change. It is important that the House should be a team of women and men working together, as the Government are.

Rape

23. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): What recent discussions she has had with the Solicitor-General on the Government's consultation "Convicting Rapists and Protecting Women". [173631]

The Minister for Equality (Barbara Follett): I have regular discussions with ministerial colleagues and the Solicitor-General on the subject. As my hon. Friend will know, the Government recently published their response to the consultation, in which we agreed to legislate to admit videoed statements and hearsay evidence in trials, and find ways to dispel the myths about rape that can influence juries. All those measures are designed to encourage complainants to sustain prosecutions.

Mrs. Hodgson: Rape victims in my constituency are well supported by Rape Crisis support, but concerns have been expressed about the future funding for such support. What discussions has my hon. Friend had with colleagues about how that funding will be sustained in the future?

Barbara Follett: Ministers—and this Minister—are very concerned about the issue. I have had, and will have more, meetings with colleagues to discuss the sustainability of funding for Rape Crisis centres. I have also met representatives of the Rape Crisis network to discuss its future funding needs.

Mr. Peter Bone (Wellingborough) (Con): Young teenagers who are brought into this country by traffickers, and who are then released by the police, are sometimes worried about giving evidence. Will the Government bring forward a proposal for a number of safe houses across the country in which those women could be protected, and which would allow them to take part in future prosecutions?

Barbara Follett: I thank the hon. Gentleman for that good suggestion, which I will raise in the many discussions that I hope to have on the issue in the new year.

Mr. Stewart Jackson (Peterborough) (Con): I heard the Minister's reply to the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson). The Minister will no doubt be aware that on 8 January, the funding for Peterborough Rape Crisis counselling group will end after 20 years, putting in jeopardy the fantastic work that the group does for women and girls who have suffered from sexual abuse or sexual crimes. Perhaps she could have a word with her colleagues in the Ministry of Justice to ensure that the funding continues, and that Peterborough people, particularly women and girls, have a service dealing with that most traumatic crime.

Barbara Follett: I understand the hon. Gentleman's concern. In my dual capacity as Minister for Equality and Minister for the East of England, I will have discussions with the Peterborough Rape Crisis centre, and I will look at the local and national funding issues.

Mrs. Theresa May (Maidenhead) (Con): The hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson) raised an important issue about the funding for Rape Crisis centres, which was echoed by my hon. Friend the Member for Peterborough (Mr. Jackson). My constituents in Berkshire have no Rape Crisis centre in Berkshire, but they access one in High Wycombe, whose funding is also under threat. It may have to close next March. The Minister for Women and Equality has said:

> "If the Tories come up with good ideas, we will incorporate them into our policies."

We are committed to providing funding to Rape Crisis centres on a three-year basis, to give them greater stability in their funding. Will the Government now adopt our very sensible idea?

Barbara Follett: When the Government came to power 10 years ago, the funding for Rape Crisis centres was £500,000 a year; we have increased that to £3 million. However, I hear what the right hon. Lady is saying, and I will consider the matter in discussions with colleagues.

Government Policy

25. **Mr. Christopher Fraser** (South-West Norfolk) (Con): What recent discussions she has had with ministerial colleagues on co-ordinating Government policy on women and equality issues. [173633]

The Minister for Equality (Barbara Follett): Once again, I have regular discussions with colleagues across Government on that matter. We are working constructively together to implement the Government's priorities for women, and I am committed to developing a cross-Government strategy on equalities and implementing our equalities public service agreement.

Mr. Fraser: The women and equality unit was previously part of the Department of Trade and Industry. It was then transferred to the Department for Communities and Local Government. Now it is responsible to the newly created Government Equalities Office, which is an offshoot of the Department for Work and Pensions. Given this game of pass the parcel, does the Minister accept that the public do not believe that the Government take the issue seriously? When will responsibility move again?

Barbara Follett: I am afraid I cannot agree with the hon. Gentleman. What is important is the work that we do, not the structures within Government, which is an arcane and byzantine subject in which most members of the public are not in the least interested.

Flexible Working

26. **Ben Chapman** (Wirral, South) (Lab): What steps she is taking to encourage workplaces to offer flexible working to full-time staff and to help with childcare arrangements during school holidays. [173634]

The Minister for Equality (Barbara Follett): We have given over 6 million people—parents of young and disabled children and carers of adults—the right to request flexible working, and more than doubled the number of registered child care places. We recently announced that we will extend the right to request flexible working to the parents of older children.

Ben Chapman: But is my hon. Friend satisfied that charges for child care are always reasonable? What about the arrangements during the school holidays?

Barbara Follett: As the mother of five, I understand the problems faced by parents during holidays; that was the moment when my heart sank. We have asked local authorities to assess whether they have sufficient child care for working parents. That, I hope, will help to address part of the problem.

LEADER OF THE HOUSE

The Leader of the House was asked—

Members' Salaries

31. **Sir Nicholas Winterton** (Macclesfield) (Con): When she next plans to bring forward proposals for hon. and right hon. Members' salaries. [173660]

The Deputy Leader of the House of Commons (Helen Goodman): An announcement on the Senior Salaries Review Body review of parliamentary pay, pensions and allowances will be made in the new year.

Sir Nicholas Winterton: I am grateful to the Minister for that reply—not terribly helpful, but a little helpful. The Government have had the SSRB report for six months. Why have they delayed publishing it so that the House can debate the recommendations? As a long-serving Member of the House, I am concerned about the position of all Members of the House and their salary, which should be dealt with fairly. Bearing in mind the fact that the increases over the past five years have been below the retail prices index and the average earnings index, is it not appropriate that the recommendations of the SSRB should be put to the House so that the House can reach a decision?

Helen Goodman: I understand the hon. Gentleman's frustration, but I have looked back over what happened in previous years. It generally takes three to six months. That is because all Governments want to give the SSRB report proper consideration. The hon. Gentleman and all hon. Members will have an opportunity to make their views known in the debate in the new year.

Mr. Dennis Skinner (Bolsover) (Lab): Is the Minister aware that I have already made my mind up on the matter? We had a discussion about it last week in business questions. I find it odd that Tory MPs keep raising the matter. I am more concerned about nurses on 2 per cent. and police officers on 1.9 per cent. I have a good suggestion: make sure that the document goes to the Home Secretary so that she can have a look at it. Then she can put it where it belongs.

Helen Goodman: My hon. Friend will have an opportunity to table amendments before the debate. He is absolutely right that the Government's pay policy is designed to be fair and affordable and to keep inflation down.

Parliamentary Questions

32. **Mr. David Amess** (Southend, West) (Con): What assessment she has made of the quality of Ministers' responses to written parliamentary questions. [173661]

34. **Mr. Philip Dunne** (Ludlow) (Con): What assessment she has made of the quality of Ministers' answers to written parliamentary questions. [173663]

The Deputy Leader of the House of Commons (Helen Goodman): Ministers are fully aware of their responsibilities to the House in respect of written questions. The Leader of the House keeps the quality of Ministers' answers to written parliamentary questions under continuous review.

Mr. Amess: That answer will not do. The hon. Lady may treat the general public with contempt until the next general election, but the House of Commons deserves a better response than that. The hon. Lady, together with the Leader of the House, knows perfectly well that the quality of responses is appalling. Only too often, Departments answer questions that they wish they had been asked, rather than those they actually were asked. I am asking the hon. Lady's colleague, the Leader of the House, to undertake a proper review of the quality of Departments' responses. If the right hon. and learned Lady finds that the quality is poor, she should do something about it.

Helen Goodman: The hon. Gentleman is absolutely right; answers must be accurate, timely and truthful. That is fully set out in the ministerial code, which the Prime Minister reissued in the summer and which reflects the resolution of the House from 1997. The hon. Gentleman should also be aware that the Procedure Committee is currently undertaking an inquiry into written questions. Its terms of reference are:

> "To consider the procedures, scope and rules governing the tabling…of parliamentary questions for written answer;
>
> To examine the reasons for, and the consequences of, the recent rise in the number of such questions; and
>
> To consider the procedures for the answering of such questions and what opportunities are available to Members to pursue answers with which they are not satisfied."

We look forward to receiving that report and to responding to any recommendations that are made.

Mr. Dunne: Is the Minister aware of the inconsistent treatment of questions asked by Members of this House? I am thinking in particular of the Secretary of State for Environment, Food and Rural Affairs, who on some occasions will choose to answer colleagues' questions but on others will choose to send them to the agency concerned. At the moment, the Institute for Animal Health is being dealt with very poorly; it is expected to respond to some questions, although the Minister has answered others.

Helen Goodman: I was not aware of that particular problem. If the hon. Gentleman writes with specific examples, we will be happy to look into them.

David Taylor (North-West Leicestershire) (Lab/Co-op): Long-serving colleagues tell me that although the quality of written answers has not deteriorated since 1997, it has not improved to any great extent. What advice would my hon. Friend give those treated with replies that are cursory to the point of disdain in trying to hide information—replies, for instance, to questions about the entertainment and hospitality record of senior civil servants with the private sector, which I have been pursuing for some weeks now? It should not be necessary to obtain an Adjournment debate or engage in extensive correspondence with Ministers to pursue such issues, should it?

Helen Goodman: My hon. Friend, a particularly assiduous Member of the House, is right. I am sure he is fully aware of all the routes that can be explored—further questions, writing to the Minister, contacting the Leader of the House and referring the issue to the Public Administration Committee. However, I agree that that should not be necessary.

Simon Hughes (North Southwark and Bermondsey) (LD): We will, of course, wait for the Procedure Committee's report and recommendations. However, my hon. Friend the Member for Yeovil (Mr. Laws), for example, has given evidence that fewer than half of questions on tax credits got proper answers, and the hon. Member for Forest of Dean (Mr. Harper) has said that fewer than a quarter of the questions tabled for a named day to the Ministry of Defence were answered on the named day. Performance must improve next year. To link to an earlier question, would the Deputy Leader of the House consider performance-related pay for Ministers that would depend on their performance in answering questions to Parliament?

Helen Goodman: The hon. Gentleman will be free to make that suggestion in January. As we consider the performance of different Departments, it is important that we take account of the fact that it can vary over time, depending on the sorts of issues that Members are interested in and whether Departments have to answer a particularly large number of questions. One of the things that the Procedure Committee will address is the impact of the doubling or trebling of written questions in the past 20 years.

Oral Statements

33. **John Bercow** (Buckingham) (Con): What assessment she has made of the effectiveness of the procedures for oral statements by Ministers. [173662]

The Deputy Leader of the House of Commons (Helen Goodman): Oral statements are one of the most valued and effective parts of the House's proceedings. The Government have no plans to propose any changes to present procedures, although we are always open to representations from hon. Members on this, as on other matters.

John Bercow: I am grateful to the Deputy Leader of the House, but I fear that she has not yet caught up with herself, for there has at least been one change recently, and that is the move to notify right hon. and hon. Members some days in advance of the intended date of statements. May I, however, put it to her that the change will remain in practice more symbolic than real if the Government continue their usual incorrigible practice of telling the world's media the contents of statements well before they inform the House? Would it not concentrate minds if such conduct constituted a breach of the ministerial code?

Helen Goodman: On the hon. Gentleman's first point, that was, as he says, an innovation made by my right hon. Friend the Secretary of State for Justice only at the beginning of this year. I think that if the hon. Gentleman looks at the facts he will find that under this Government there has not been a large number of pre-announcements to the media. *[Laughter.]* There has not. If he has specific examples, perhaps he could give them to me.

Mr. Speaker: Order. Can the Speaker bring a few examples?

Mrs. Theresa May (Maidenhead) (Con): I am happy to oblige the House myself with an example that occurred only this week. On Tuesday, the Children, Schools and Families Secretary told *The Guardian* that every secondary school pupil would have a personal mentor, told *The Times* that head teachers will have to work with social workers and the police, and told *The Daily Telegraph* that he would use e-mail and text to monitor pupil attendance. Then he came to the House to make a statement. If Ministers respect Parliament as she and the Leader of the House say that they do, why was this widely leaked before it was announced to the House, and why do Ministers behave like this every single week?

Helen Goodman: If the right hon. Lady is complaining about the media putting together well researched news stories on the basis of consultation documents and White Papers that have already been issued, that is a matter for her. Had she been in the Chamber to hear the Secretary of State's statement, she would have known that the House was the first to hear about the allocation of more than £200 million for graduates in nurseries, the decision to allow Ofsted to lead a review on special educational needs, the proposal to spend £220 million on play facilities in 3,500 playgrounds across the country, and the decision to make all schools zero carbon by 2016.

Voting Rights

35. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What the Government's policy is on right hon. and hon. Members representing Scottish constituencies voting on matters relating to England where responsibility for such matters in Scotland has been devolved to the Scottish Parliament. [173664]

The Deputy Leader of the House of Commons (Helen Goodman): The Prime Minister set out the Government's policy to the House on 3 July. The Government do not accept that there should be any discrimination in the rights of hon. Members to take part in the business before the House. English votes for English laws would lead to the break-up of the Union. This Government believe in the Union and will do nothing to harm it. Constitutional issues are the responsibility of my right hon. Friend the Secretary of State for Justice.

Mr. Evennett: I am naturally disappointed by the Minister's response. As a great supporter of the Union, does she share my concerns about the growing sense of unfairness felt among English voters about this issue? Surely the Government should be doing something to address it for the sake of our democracy.

Helen Goodman: I think that the hon. Gentleman tabled his question before the right hon. Member for Witney (Mr. Cameron) made his speech in Edinburgh on Monday, in which he said:

> "Better an imperfect union than a broken one…if it should ever come to a choice between constitutional perfection and the preservation of our nation, I choose our United Kingdom."

HOUSE OF COMMONS COMMISSION

The hon. Member for North Devon, representing the House of Commons Commission, was asked—

Food Allergies

36. **Jo Swinson** (East Dunbartonshire) (LD): What policies the Refreshment Department has to cater for people with food allergies. [173665]

Nick Harvey (North Devon): Dishes suitable for those with gluten allergies are identified and indicated on all menus, as are dishes suitable for vegetarians, and healthy options. If applicable, menus will state that dishes contain nuts or traces of nuts, and further training for all catering staff on allergen awareness will begin in March and run through till May of next year.

Jo Swinson: I appreciate that reply, but like so many restaurants and catering outlets these days, the House Refreshment Department covers itself with a legal disclaimer on every menu that says:

> "All of our dishes are prepared in kitchens where nuts are present but not all dishes contain nuts as part of their ingredients. Our staff will be happy to provide further details of dish ingredients".

Given that well over 50 people working on the Commons estate have a nut allergy, is it not ridiculous to expect them to ask every day which dishes have nuts? Would it not be easier to have a small symbol on the menu indicating those dishes?

Nick Harvey: I am aware that my hon. Friend is among those who suffer from nut allergies. The House is developing its processes and practices in consultation with experts in the field. If my hon. Friend has some particular point she would like to suggest that would improve the practice, I will be pleased to arrange a meeting with the director of catering.

LEADER OF THE HOUSE

The Leader of the House was asked—

Parliamentary Questions

37. **Mr. David Jones** (Clwyd, West) (Con): What assessment she has made of the quality of Ministers' answers to written parliamentary questions. [173666]

The Deputy Leader of the House of Commons (Helen Goodman): I refer the hon. Gentleman to the answer I gave earlier.

Mr. Jones: About three weeks ago, I tabled a question to the Secretary of State for Wales asking him how frequently he meets the Deputy First Minister of Wales, and on how many occasions he has done so since the conclusion of the all-Wales accord. The answer I received was:

> "I have met the Deputy First Minister of Wales on several occasions since that date."—[*Official Report*, 27 November 2007; Vol. 468, c. 286W.]

That answer was not terribly helpful, but unfortunately it is not untypical of the sort of thing that we receive these days. Is this a manifestation of deliberate obfuscation on the part of Government, or is it simple idleness? It must be one or the other.

Helen Goodman: I simply do not accept the hon. Gentleman's point. If he would like a more specific answer, perhaps he should write to the Secretary of State.

Capital Gains Tax

11.32 am

Dr. Vincent Cable (Twickenham) (LD) (*urgent question*): Mr. Speaker, I am very grateful to you for agreeing to enable this urgent question to be put, and the purpose of putting the request in this form—

Mr. Speaker: Order. If the hon. Gentleman would just ask the question.

Dr. Cable: Will the Chancellor of the Exchequer make a statement on the position in relation to capital gains tax policy?

The Chancellor of the Exchequer (Mr. Alistair Darling): Let me answer the hon. Gentleman's question. The Government's position on the reform of capital gains tax was set out in the pre-Budget report on 9 October. However, I have subsequently received representations from a number of organisations and individuals with whom I have been consulting, and as a result of which a wide range of proposals have been made to me. Because those proposals cover a wide range of approaches, and in some cases are quite complex, I think it desirable to have further discussions with those groups before I finalise my proposals. It is not now going to be possible to conclude that process until the new year. I can tell the House that when I am ready to make proposals, I will come to the House and make a statement in the usual way.

For the sake of completeness, I understand that the hon. Gentleman, who is the acting leader of the Liberal Democrat party, was moved to ask this question because he saw on today's Order Paper notice of a written ministerial statement on Finance Bill measures. Perhaps I can tell the House that those measures relate to two types of corporation tax avoidance involving the leasing of plant machinery, such as combine harvesters, tractors and so on, which had a potential tax loss of hundreds of millions of pounds. The written ministerial statement had nothing whatever to do with capital gains tax.

Dr. Cable: May I explain to the Chancellor why the matter is urgent? It appears that the Prime Minister, no less, and the Chancellor have been separately briefing national newspapers about imminent changes to the legislation. Surely this House should be told about that. I was further prompted by the fact that I understood that the Federation of Small Businesses and the Confederation of British Industry have booked rooms this afternoon in order to announce changes communicated to them by the Government. It may be, as is often the case, that there is a terrible breakdown in communication between the Government and the business organisations. It may be that the Chancellor simply did not wish to communicate his findings to the House first. That is the source of the urgency. Does not he agree that the Government made a serious error in not consulting business organisations before announcing the pre-Budget report statement, that that failure to consult lies behind an enormous amount of ill will in the business community and that his standing with business is roughly comparable with that of the Home Secretary with the Police Federation?

Will the Chancellor clarify whether the Government still intend to proceed with their proposal to abolish taper relief, which was a central feature of their policy? Was not the reasoning behind the proposal that it would tackle a specific anomaly in relation to private equity funds? It was realised, once the 10p rate was abolished, that private equity partners would pay less—in some cases, a lower rate of tax than their low-paid employees. The Government introduced the far-reaching change to deal with that. However, is not it also the case that the anomaly remains? The private equity partners still pay a lower rate of tax than their low-paid employees. In the process of introducing those changes, did not the Government create a set of anomalies whereby, for example, entrepreneurs now pay a much higher rate of tax—18 per cent. rather than 10 per cent.—and second home owners can pay a lower rate of tax? Those anomalies have created a great deal of anxiety and concern in the business community.

Will the Chancellor confirm that the Government intend to proceed with the abolition of taper relief? In doing that, have the Government now accepted that their policy in 1998, which was strongly opposed at the time by me and my colleagues and the Conservatives, who appear to have done a U-turn on the matter, was misguided and introduced excessive complexity into the system?

Mr. Speaker: Order. The hon. Gentleman is beginning to debate the matter as if it were a statement when it is an urgent question. I think that we must now let the Chancellor respond.

Mr. Darling: Despite what the hon. Gentleman says, his question was not prompted by the booking of rooms. In the normal way, when a request for an urgent question is made, Mr. Speaker has to consider it. The hon. Gentleman saw a reference to a written ministerial statement on the Order Paper. I simply point out that it was made to plug a loophole in relation to corporation tax; it had nothing to do with capital gains tax.

The hon. Gentleman asked many questions about capital gains tax. The Government's position is as I set it out. We have received a wide range of proposals, and helpful discussions have taken place. I want to ensure that we get those things right and I intend to do that.

Several hon. Members *rose*—

Mr. Speaker: Order. With an urgent question, I have to hear what the appropriate Minister has to say. The Chancellor's answer leads me to conclude that I will not open up the subject to prolonged questions. *[Interruption.]* If the hon. Member for Tatton (Mr. Osborne) keeps calm, I will, of course, call Front Benchers.

Mr. George Osborne (Tatton) (Con): The Chancellor of the Exchequer pretends that it is all a mistake. However, he told the CBI conference on 27 November:

> "We are working with the CBI and other business organisations to listen to what you have to say. I expect to publish final proposals in the next three weeks."

The Chancellor has told us for the first time today that he will not publish those details until the new year, although, as the leader of the Liberal Democrats said, business organisations expected them in the next couple of days.

Is not it the Chancellor's final humiliation that he has to defend at the Dispatch Box his first and only original tax proposals when everyone knows that, in the next couple of weeks, he will have to announce major concessions and U-turns, not least because the Prime Minister went behind his back and briefed the newspapers? In the meantime, thousands of small businesses and employee share owners do not know what to do or what the position will be next April. He knows what the concessions will be. Why does not he admit what they are and that he has lost, hoist the white flag and say, "I surrender"?

Mr. Darling: Nice try. I had hoped to be in a position to announce final proposals, but for the reasons that I have stated that is not now possible. However, I will come to the House, as I always do on these occasions, when I am ready to make my proposals.

Business of the House

11.39 am

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give its forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for the week commencing 17 December will be:

Monday 17 December—There will be a statement on the European Council. There will also be a statement *on the Poynter review*, followed by Second Reading of the National Insurance Contributions Bill.

Tuesday 18 December—Motion on the Christmas recess Adjournment.

The business for the week commencing 7 January 2008 will be:

Monday 7 January—Second Reading of the Pensions Bill.

Tuesday 8 January—Opposition Day [5th allotted day]. There will be a debate on an Opposition motion. Subject to be announced.

Wednesday 9 January—Remaining stages of the Criminal Justice and Immigration Bill.

Thursday 10 January—Topical debate: Subject to be announced, followed by a general debate on armed forces personnel.

Friday 11 January—The House will not be sitting.

The provisional business for the week commencing 14 January will include:

Monday 14 January—Second Reading of the Education and Skills Bill.

I should also like to inform the House that the business in Westminster Hall for the first week back will be:

Thursday 10 January—A debate on the report from the Home Affairs Committee on Police Funding.

Through you, Mr. Speaker, may I extend the warm wishes of all hon. Members to the Clerks of the House, the Officers of the House, the catering team, the cleaners, the police, the doorkeepers and all who keep the House running smoothly? A happy Christmas to one and all.

Mrs. May: I thank the Leader of the House for giving us the future business. I should like to join her in wishing you, Mr. Speaker, all the staff in the House who provide us with support and all right hon. and hon. Members a very merry Christmas and a happy new year.

The right hon. and learned Lady said that there would be a debate on the armed forces on Thursday 10 January, but, given the topical debate on that day, we will have less than half a day for that important subject. It seems that we will now have a part-time debate for a part-time Secretary of State for Defence. Will she rearrange the business so that we can have a full-time debate on the armed forces?

Last week I suggested that the right hon. and learned Lady should select the housing market as the subject for this week's topical debate. If she looks at the front pages of today's newspapers, she will see that it is not only a topical issue, but an extremely worrying one for millions for families. Will she now commit to a debate on the economic slow-down, and the problems in the banking industry and their effects on the housing market?

Last weekend the Prime Minister went to Basra, where he promised that the troops would be home by Christmas. Why did he not make a proper statement about that to the House? How many troops will come home? When will they come home? Will they go back if there is trouble in Basra? How many troops will stay to train Iraqi forces? It is to answer questions such as those and many more that we need a statement. Every week the Leader of House tells us that she puts Parliament first; every week her colleagues, from the Prime Minister down, treat Parliament with disdain.

The Pensions Minister and the Secretary of State for Work and Pensions want to compensate the 125,000 people who lost their savings after their pension schemes went bust, but the Prime Minister and the Chancellor appear to have blocked them. Conservatives, Liberal Democrats, Cross-Bench Peers, Labour MPs and Peers, Ros Altmann, the Parliamentary Commissioner for Administration and now the Work and Pensions Secretary all now believe that those innocent people deserve full compensation. They did the right thing and saved for their pensions, but lost everything through no fault of their own, so will the Work and Pensions Secretary make a statement on why the Government refuse to compensate fully those innocent victims?

Some 89 Labour MPs have signed a motion calling for the Government to honour the police pay award recommended by the Police Arbitration Tribunal. According to the Chairman of the Select Committee on Home Affairs, 10 Ministers oppose the Home Secretary's policy. Police authorities in England and Wales have already budgeted to meet the cost and the Police Federation has called it "a betrayal of trust", so can we have a debate in Government time on the breakdown in the crucial relationship between the police and the Home Secretary?

On Europe, the Prime Minister said this morning:

> "I think you'll find we are leading the way."

However, he is reluctantly making his way to Lisbon today to sign the renamed constitution, explicitly breaking his manifesto promise not to sign without a referendum. He is too frightened to let the people decide, and too frightened to be photographed with the other Heads of Government. Is this really what the Prime Minister means by "leading the way"?

Ms Harman: The right hon. Lady mentioned the debate on the armed forces on Thursday 10 January, and the topical debate on the same day. I would say two things in response. First, she supported the introduction of topical debates, as did the whole House. I believe that they are going to be very important. Secondly, we have five days' debate on defence as well as Defence oral questions and other statements that are made from time to time. Defence and our armed services are of importance at all times to Members on both sides of the House, and we ensure that they are debated regularly and that they remain at the forefront of the concerns of the House.

On the housing market, the right hon. Lady will know that it is important for that market that we have low inflation, and that people can pay their mortgages because they are able to remain in work and because interest rates are low. She will also know that it is important for that market that there is affordable housing, and that means that there should be a greater supply of housing. If she is as concerned as she says she is, I hope that the Opposition will support our Housing and Regeneration Bill, which will make the biggest possible contribution to the housing market.

The right hon. Lady asked a number of questions about the Prime Minister and Iraq. Perhaps she will remember that, only yesterday at Prime Minister's questions, the Prime Minister answered questions about Iraq, as he does nearly every Wednesday at this Dispatch Box. Indeed, he also made a statement on Afghanistan.

On pensions, the right hon. Lady will know that we have just concluded deliberation in this House on one Pensions Bill, and that our legislative programme contains another pensions Bill. She raised the question of the police pay award, and I want to pay tribute to the police for their important and courageous work. She will know that it is Government policy to ensure that we deal with police pay within the overall context of the Government's public sector pay policy.

The right hon. Lady raised a range of issues about Europe. She will know that, because the Prime Minister believes in the importance of the House, he was answering questions before the Liaison Committee this morning. He cannot be in two places at once, so he has answered the Committee's questions and he is now travelling to sign the treaty. She then raised a whole load of other spurious questions about Europe—I know that this is the festive season, but this is supposed to be business questions, not panto.

Mr. Gordon Prentice (Pendle) (Lab): It is perfectly clear that the Government are not going to move on the vexed question of police pay. I am very sympathetic to the position of the police, because the matter has been to arbitration. How would my friend describe the meaning of arbitration in this context?

Ms Harman: My hon. Friend will know that it is the responsibility of the Home Secretary to set the level of police pay. He will also be aware that negotiations and discussions are taking place on a new mechanism for setting police pay fairly; more information will no doubt be given to the House on that in due course. He will also know that, because of the importance that the Government place on the police, there has been an increase in police pay of 39 per cent. since 1997, and justly so. That is 9 per cent. above the rate of inflation. Police numbers are also increasing. There is no doubt that the Government place huge value on the work of the police in this country.

Simon Hughes (North Southwark and Bermondsey) (LD): I was tempted to say in response to the earlier reply from the Leader of the House that we could have both business questions and panto, which might be more acceptable.

I am grateful for the announcement of a debate on police funding on 10 January. I join the Leader of the House and the shadow Leader of the House in

[Simon Hughes]

extending my best wishes and thanks not just to the police, but to all Officers of the House and, of course, to you, Mr. Speaker, as we approach Christmas and the new year.

May we have a debate about the growing number of Government policy reviews? After the recent announcement by the Secretary of State for Children, Schools and Families of four more such reviews, they are now up to 31. As Tony Travers said this week, evidence-based policy is a good thing, but it is necessary to have the policy and the policy making. It would be good to know how the Government are seeking to develop policy and whether Parliament is going to play a part in that.

I understand that the Government were intending to produce the results of their review of electoral systems across the UK, including those used in this year's Scottish elections, by the end of the year, but that it has now been postponed. May we have a statement announcing the new timetable, as the Leader of the House must ensure that the review does not disappear into the long grass?

The Prime Minister is probably just about to set off to Lisbon to sign the European treaty. Presuming that he gets there and he signs it, when can we expect to start debates on the legislation to implement that treaty? We know that the debates will take a long time and we know that they will be on the Floor of the House, but it would be helpful for colleagues to know—

Chris Bryant (Rhondda) (Lab): Can't wait.

Simon Hughes: Some colleagues, like the hon. Member for Rhondda (Chris Bryant), cannot wait! Many of us would like to know when that process is going to begin, as it will require a considerable time commitment.

As we approach Christmas, may we have an opportunity before the break to discuss when the Farepak victims—I know we had a written statement about it yesterday—are likely to receive any money that, following the company's collapse, they may get? After the Ministry of Justice report showing that conciliation is not working, may we have a debate on conflict resolution in families? Finally, may we have a debate on the important issue of conflict resolution policy in government, especially given that it looks like we may have to be further engaged around the world in Kosovo and elsewhere? The more we can do to prevent and resolve conflicts rather than fight over them, the better. Many of us would view that as not just seasonally appropriate, but the best option all year round.

Ms Harman: The hon. Gentleman raised the question of the number of policy reviews. If the Government are concerned that policy needs to be changed, surely the whole House would agree that they should reflect openly, consult, gather evidence, announce what they are going to do and only then put proposals before the House. Hon. Members would have much more to complain about if we brought proposals for change before the House without announcing or undertaking any review. I know that the hon. Gentleman would welcome the fact that we are following what has been described as the Bercow report and that we are now moving to the next stage of reviewing special educational needs, which is both welcome and important. I think ~~that the~~ hon. Gentleman would also welcome how we are reviewing the way in which child mental health services work with schools. I believe that there is nothing wrong with reviews and that it is right for us to announce the results of them to the House.

The hon. Gentleman asked about the electoral systems review and I agree with him that the House expected to hear the results shortly. A great deal of change has resulted from the introduction of different systems in Scotland, Wales and England for European elections, local elections, mayoral elections and so forth. All of that needs to be analysed and the results understood before they can be reported back to the House. I will convey the hon. Gentleman's points to the Secretary of State for Justice.

The hon. Gentleman asked about debates on the Bill to implement the European treaty. I can tell him and the House that as we become fully engaged with the European debates, we will find them plentiful and likely to take quite a long time. I believe that it is very important that as we scrutinise effectively the structural changes brought about by the treaty, we must not lose sight of what is most important to people in the country. They are less concerned about the minutiae of the structures and more concerned about how being a member of Europe contributes to our economy, to our work on climate change internationally and to how we tackle human trafficking. I hope that the House will sometimes be able to focus not just on the structures of Europe, but on what being in Europe means to people in this country.

The hon. Gentleman asked for debate and discussion on the important matter of Farepak. One of the reasons why I chose the subject for this afternoon's topical debate was precisely in order to allow Farepak to be raised. There are concerns that people with the least money are most at risk when it comes to savings; those with the least money spend most when they are trying to save. That is why I chose the subject of the availability of financial services for low-income families for this afternoon's topical debate. Farepak is not in the title, so I accept that it was not good enough as a signal to the hon. Gentleman, but I expect it to be discussed.

The hon. Gentleman asked about conflict resolution. He will know that the Foreign Secretary has made a number of statements about conflict resolution—for example, on the Government's work in Kosovo and other parts of the world. If any further information or proposals should be brought before the House, I am sure that the Foreign Secretary will do exactly that.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): May we have a debate on local democracy and devolution? I ask that because of the growing scandal in Scotland, where the Scottish National party Government have been interfering in an unprecedented way in the local planning process in support of a development proposal by the Trump Organisation. Should not the First Minister be reminded that the point of devolution was to bring power closer to the people, not to have power devolved to Edinburgh, only to have it taken away from local government and centralised in Edinburgh?

Ms Harman: I will take up my hon. Friend's point with the Secretary of State for Scotland. The whole point of having a Scottish Parliament was to devolve power from Westminster to people in Scotland, not to suck up power from local authorities in Scotland and place it in Edinburgh instead.

David T.C. Davies (Monmouth) (Con): Legal aid is currently being extended to bogus asylum seekers, foreign terrorists, imprisoned murderers who want to have children and Ministry of Defence officials attending inquests, so may we have a debate on why legal aid is not being extended to the wives and families of British servicemen who have lost their lives in the service of their country? Many people would want that disgraceful injustice to be aired in Parliament.

Ms Harman: The hon. Gentleman might remember that that point was put by one of his hon. Friends in Prime Minister's questions yesterday and that my right hon. Friend said that he would look further into it.

Mr. Ian Cawsey (Brigg and Goole) (Lab): Following this morning's announcement by the Post Office on various branch restructurings in my area, could my right hon. and learned Friend find time for the House to debate the Post Office's handling of the issue? The Westfield avenue branch in Goole was down for closure on the basis of incorrect public transport information, but that closure is to go ahead anyway. The plan for outreach services for the villages of Eastoft, Reedness, West Butterwick and Wroot is to go ahead, but we have not yet heard how or when. This morning, we suddenly find that the Wrawby post office, which was unaffected by the regional consultation, is now up for closure. There is no rhyme or reason to any of that, so will my right hon. and learned Friend please speak to the relevant Minister to ensure that Members are able to debate how the Post Office has acted in our constituencies?

Ms Harman: Post offices are a matter of concern to all hon. Members. It is topical at the moment because of the programme of consultation that the Post Office is engaging in, so I will take my hon. Friend's comments as a proposal for a topical debate in January.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I reinforce the request of my right hon. Friend the shadow Leader of the House for a debate on police pay? We all recognise that the Government have allowed public spending to get out of control and that they have increased the public sector wage bill to an unsustainable extent. That said, the decision not to backdate is unjust, unwise and mean-spirited. Next week, the House needs to have the opportunity to say so.

Ms Harman: I will not add to what I have already said about that, except to say that I remember when the right hon. and learned Gentleman was part of a Conservative Government. Since then, and since we have had a Labour Government, my constituents and his have had more police on their streets, and more police community support officers—and those police officers are better paid than ever they were under a Conservative Government. The Prime Minister told the Liaison Committee today that he would love to pay the police more, but that he must be certain that we have a growing economy with stable public finances—and that is another thing that we did not have when the right hon. and learned Gentleman's party was in Government.

Jon Trickett (Hemsworth) (Lab): Could my right hon. and learned Friend find time for a debate about residential care for the elderly, the provision of which is diminishing and becoming worryingly fragmented? In my constituency, Anchor housing association's decision to present its proposal to close St. Clements Court in south Kirkby as a fait accompli has caused real anxiety and consternation, as well as some anger. It has become clear that the supply of residential care for the elderly in the area is diminishing, and that the local authority's role has been significantly weakened. All that is creating some trouble in the local community, and the local authority, as strategic provider, appears to lack the powers necessary for it to step in and fill the breach. May we have a debate about this important matter?

Ms Harman: It is indeed important, for the reasons that my hon. Friend has given. The number of elderly people is growing. We need to make absolutely sure that they have the care and support that they need, and that families caring for them have the backing that they require as well. As my hon. Friend knows, there will be many debates in the House on the Health and Social Care Bill. He will also know of the review dealing with the existing support for carers, including those caring for older people. However, we remain concerned not only about residential care of the elderly but about domiciliary services, and I will raise my hon. Friend's points with my right hon. Friend the Secretary of State for Health.

Sammy Wilson (East Antrim) (DUP): During the 1980s, the Libyan Government brought hundreds of tons of guns and explosives into Northern Ireland to help the IRA. As a result, hundreds of people were killed, thousands were maimed, and businesses worth millions of pounds were destroyed. Many of the victims groups have been demanding that the Government seek compensation from the Libyan Government, just as compensation was sought for the victims of the destruction of the Pan Am flight over Lockerbie. This week the groups were informed that the Government did not intend to pursue the case. Will the Leader of the House find time to bring the Foreign Secretary along to make a statement explaining why victims of Libyan-sponsored terrorism in Northern Ireland are being treated differently from victims of the same state in Lockerbie?

Ms Harman: I suggest to the hon. Gentleman that I raise the issue with both the Secretary of State for Northern Ireland and the Foreign Secretary. He could then receive a letter, which could be placed in the Library so that all other Members could also be informed about that important matter.

Ms Patricia Hewitt (Leicester, West) (Lab): I strongly support what my right hon. and learned Friend said a few minutes ago about Britain's membership of the European Union, but I want to raise a different subject. Could she find time for a debate on urban regeneration companies? The centre of my own city of Leicester is

[Ms Patricia Hewitt]

being transformed through a combination of private and public sector investment, and similar transformations are taking place in cities across our country. I think it is time the House discussed that success and how we can build on it in future.

Ms Harman: My right hon. Friend's words will find an echo among a number of Members. I think it would be good to examine the important work of urban regeneration companies across the piece, on the basis of experience in different constituencies. I will seek an opportunity for it to be debated in Government time, either here or in Westminster Hall.

Sir Nicholas Winterton (Macclesfield) (Con): The courageous and outspoken Archbishop of York, John Sentamu, cut up his clerical collar recently on the Andrew Marr Show and vowed not to wear it again until the tyrant Mugabe was removed from office in Zimbabwe. When will the Government find time for a debate on the subject on the Floor of the House—and when will the Government of this country, which was responsible for putting Mr. Mugabe in power, take action to save the people of Zimbabwe from the tyrannical rule that they are currently experiencing?

Ms Harman: I know that the whole House shares the hon. Gentleman's concern—a view that was expressed strongly during our recent debate in the House on the subject. He will know that the Government share it as well, that we are working closely with other countries internationally to put pressure—in all respects—on the Zimbabwean regime. We are working particularly closely with the African Union. We are very concerned indeed about the plight of the people in Zimbabwe, and want to support them while also tackling the terrible abuses of the Zimbabwean Government.

Margaret Moran (Luton, South) (Lab): I am sure that my right hon. and learned Friend is aware of reports in the media today that a convicted paedophile who viewed online child pornography has effectively had his sentence reduced from life to one year, although he had been viewing level 5 pornography, which involves material involving babies and bestiality. He is also the founder of an organisation that lobbies for sex with under-age children. Does my right hon. and learned Friend agree that viewing online child abuse is every bit as serious as production and distribution, and will she please make time, as a matter of urgency, for a debate in the House on sentencing for this very serious crime?

Ms Harman: My hon. Friend will know of a recent review by the Sentencing Guidelines Council of sentencing for sexual offending. It is extremely important that new sexual offences are tackled effectively as they appear. My hon. Friend will, of course, be aware that although sentencing is a matter for the courts, the House sets the framework through legislation, and in a current Bill there are further measures to tackle the crime of child abuse via the internet.

Robert Neill (Bromley and Chislehurst) (Con): Will the Leader of the House make time, as a matter of urgency, for a debate on the audit function of local authorities, with particular reference to the situation in the Greater London authority and the London Development Agency? Some £2.5 million of public money appears to have been given to organisations controlled by associates of the Mayor's policy director, Lee Jasper, without adequate audit trails or, now, any proper account of where many hundreds of thousands of pounds of that money has gone.

Ms Harman: Of course the work of the Audit Commission is important. It is important that the work of all local authorities in London, the Greater London authority and the Mayor is properly audited—as it is.

I wish to complain about the hon. Gentleman tossing out allegations against Lee Jasper, who has done, and continues to do, a great deal of public work. I do not want to hear his name besmirched in the House for party political purposes, just because we are in the run-up to a mayoral election. I want to register my support for the work being done.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): May we have a debate on the 20 per cent. Government cut in funding for science research and its impact on science departments at universities, including the one in Liverpool? It follows the merger of two science research councils, the Particle Physics and Astronomy Research Council and the Science and Technology Facilities Council. Surely a cut of 20 per cent. is not compatible with the Government's wish to support science.

Ms Harman: The Government are strongly committed to supporting science with investment in industry and also in educational institutions. I am not sure that the figures given by my hon. Friend accord with my understanding of the position. There has not been a cut of £80 million in spending on physics. One research council—the Science and Technology Facilities Council—has decided to reduce the amount of support available for particle physics and astronomy in universities, but is continuing to invest heavily in those disciplines in CERN and elsewhere. Our commitment to science has led to funding rising from £1.3 billion to £3.4 billion this year. I will ask my right hon. Friend the Secretary of State for Innovation, Universities and Skills to take into account the points my hon. Friend raises, and to write to her to clarify the position.

Alistair Burt (North-East Bedfordshire) (Con): May we have an urgent debate on the Thames Gateway? Following a recent very critical report by the Public Accounts Committee, which was devastating in its view of how the Government and various Departments have handled the issue over several years, the Department for Communities and Local Government has moved with remarkable speed and efficiency to sack not one of its Ministers, but the chief executive of the Thames Gateway, whom it appointed about 18 months ago, in what looks like a clear case of scapegoating. I would like the Secretary of State for Communities and Local Government to come to the House for a debate so that she can explain why someone else is carrying the can for the Government's failure.

Ms Harman: PAC reports are debated, and no doubt this one will be as well.

Alan Simpson (Nottingham, South) (Lab): Over the next couple of days, Ministers will be returning from the world summit in Bali, at the end of which there are almost certain to be no binding agreements on targets and no recognition of the urgent action that needs to be taken on the basis of the intergovernmental panel on climate change report on the six to eight-year window of opportunity that we have in front of us. I am surprised that no statement is to be made to the House on Monday by the Secretary of State for Environment, Food and Rural Affairs, because that means that there will be no debate on this matter until the new year. Given that the Government's programme is also ill equipped to deal with the scale of change in that six to eight years, will the Leader of the House not revisit the prospect of such a statement by the Secretary of State?

Ms Harman: I am sure that my right hon. Friend the Secretary of State will want to inform the House of the outcome at Bali and how we see the way forward. My hon. Friend knows that we take the view that there should be binding targets for reduction of carbon emissions; that is why that will be in the Climate Change Bill, which will shortly come before this House.

Mr. Julian Brazier (Canterbury) (Con): Concerns have been expressed in all parts of the House about the regime in Guantanamo Bay, and I am sure there is a welcome for the fact that the place is at last being run down, but may we have a debate in the House about the extraordinary Government decision to invite five terror suspects, none of whom are British citizens and one of whom stayed here for only a relatively short period, to come to this country, rather than being repatriated to their own countries?

Ms Harman: I will bring the hon. Gentleman's comments to the attention of my right hon. Friend the Foreign Secretary. The hon. Gentleman will know that we abhor the Guantanamo Bay regime, which is quite outwith the rule of law, and that we pressed for British citizens to be taken out of there and brought back to this country. As for the five remaining internees in Guantanamo Bay who are customarily resident in this country, I understand that in respect of three of them arrangements are being made to return to this country, but it is of course open to the Government to review their status and their right to stay here on their return.

Barry Gardiner (Brent, North) (Lab): At 9 o'clock this morning, an outrage was perpetrated against the Hindu community in this country, when a Royal Society for the Prevention of Cruelty to Animals vet, accompanied by three police officers, went unannounced to Bhaktivedanta manor and put down a sacred cow, which had been nursed by the herdsmen at the manor for 14 months. I must stress that this cow was not contagious in any way and was not diseased; she had a muscle-wasting problem and was nursed for bedsores alone. I know that my right hon. and learned Friend will appreciate the serious concern that this has caused within the Hindu community, and I ask her to take the matter up not only with the Secretary of State for Environment, Food and Rural Affairs—I understand that DEFRA was not involved this morning—but with the Secretary of State for Communities and Local Government. This has caused great concern in the community. We have laws in this country against blasphemy, and I believe it is now time for us to have a debate about how to deal with such issues sensitively across the board.

Ms Harman: I understand the great concern that is felt on this issue in Britain's Hindu community, and I am glad that my hon. Friend has had the opportunity to raise it in the House. In response, I will ask my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs to write to him with all the background; my hon. Friend can then convey that to the Hindu community, which feels so concerned about the matter, so that it has all the facts and information.

Mr. Andrew Mackay (Bracknell) (Con): Will the Leader of the House haul the Chairman of the Liaison Committee before the House next week to explain the apparently unreasonable behaviour of his Committee in not allowing the Prime Minister to give evidence to it on another day, thus causing the Prime Minister great embarrassment, as he cannot be in Lisbon to sign the new treaty along with other European leaders?

Ms Harman: It seems to be beyond some Members to understand the relatively simple proposition that the Prime Minister wanted to both answer the questions of the Liaison Committee and sign the treaty in person—and that although he has many remarkable qualities, being in two places at once is not one of them.

Anne Snelgrove (South Swindon) (Lab): I listened carefully earlier today to my right hon. and learned Friend's answers about women in political life, and I wonder whether she would consider holding a topical debate on the issue—and would she broaden it to a discussion of women in public life? I have grave concerns about the number of women being appointed to public bodies in this country, and I believe that there might be some unintentional discrimination against women because of how the criteria are set.

Ms Harman: I will look for an opportunity for this matter to be raised in the House. We are committed to ensuring that we get the right decision making in appointments to public boards, whether they are in health, education or industry. The figures show that we have not had sufficient change. About 33 per cent. of public appointments were women in 1997, and that figure has barely risen at all in the past 10 years: it is now only 35 per cent. That is simply not good enough. It is not that women in this country are not good enough; it is that the appointments system is not good enough to recognise the talent and experience that women in this country can bring to public service. Clearly, systemic discrimination is going on in public appointments, and we will have to set some stiff targets and make some progress on that. Inching forward by 2 per cent. in 10 years is simply not good enough.

Mr. Christopher Fraser (South-West Norfolk) (Con): Farmers in my constituency are dismayed by the Department for Environment, Food and Rural Affairs proposals for winter green cover, which will impact on traditional farming methods. Will the right hon. and learned Lady find time early in the new year for a debate on the nitrates directive?

Ms Harman: I will bring that to the attention of my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs.

Mr. Jim McGovern (Dundee, West) (Lab): May we have a debate about physical and verbal abuse of shop workers, and in particular betting-shop staff—an overwhelmingly female work force, many of whom are expected to accept such treatment as part and parcel of the job? The trade union community has been particularly active in my constituency on this issue. Will the Leader of the House join me in supporting its efforts to reverse the perception that such behaviour is in any way acceptable?

Ms Harman: The House should be aware that one of the important things that is helping women at work—and, indeed, anybody who might be vulnerable in their work—is trade union equality reps. The Government have funded a programme of trade union equality reps at work, and I will discuss with my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform whether there can be some provision for equality reps in the betting industry, so that they can support women suffering from harassment from customers.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): Can we have a debate on my early-day motion 317, entitled "Open university"?

[That this House is concerned that the Government's decision to withdraw funding from institutions for equivalent or lower qualification students will have a disproportionate impact on the part-time sector in general and on specific institutions such as Birkbeck and the Open University; and urges the Government to consider ways in which it can minimise the damage this measure will do to lifelong learning and the delivery of the Leitch agenda objectives.]

Given that 177 hon. Members from across the House have signed it, does the Leader of the House accept that there is growing unease in the House about the Government's decision to withdraw funding for students seeking equivalent and lower qualifications, and the disproportionate impact that that will have on the Open university and similar establishments? How does it square with the Government's commitment to lifelong learning?

Ms Harman: We are strongly committed to what the Open university was set up to do: to extend educational opportunities to adults and those who might have missed out at school. A range of educational opportunities that were not available when the Open university was set up now exist, and the university remains very important. Perhaps the hon. Gentleman could seek a Westminster Hall debate on the issue.

Mrs. Madeleine Moon (Bridgend) (Lab): Can we have a debate about the health impact of open-cast coal mining on local communities? People in Kenfig Hill and Cefn Cribwr in my constituency have suffered years of noise, dust, housing blight and environmental destruction. Is it not time for us to put forward the quality of life for local communities as the first priority, before we allow extensions to open-cast mining and the resulting clouds of potentially toxic dust?

Ms Harman: The question of how we get the right developments is very much the subject of the Planning Bill, which is a centrepiece of the Government's legislative programme. As the Bill proceeds through this House, my hon. Friend and other hon. Members will have an opportunity to talk about the quality of life criteria that they would like to be central issues for planning decisions.

Mr. Richard Benyon (Newbury) (Con): May I put myself firmly behind the request of the hon. Member for Brigg and Goole (Mr. Cawsey) for a debate on post offices? Such a debate would allow me to point out the injustices of the five post office closures in my constituency and the appalling effect on people in Thatcham. They recently suffered seriously flooding, and they now have the double whammy of losing their post office. This issue is affecting a number of hon. Members in other parts of the country, so a topical debate would be much appreciated.

Ms Harman: I shall take that as a suggestion for a topical debate. The raising of issues by Back Benchers from different parties is a key criterion for indicating that there should be a topical debate. The last time that I said that was in respect of Heathrow, about which lots of hon. Members from both sides of the House—especially Conservatives—expressed their desire to have a topical debate. I was just about to arrange one when I got pipped at the post by a Westminster Hall debate, but had that not happened, I would have done so.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): The Leader of the House has asked on many occasions for Members' suggestions on how best to improve topical debates. She may be aware that during a recent debate the official Opposition Front-Bench team used up a third of the time allocated for a topical debate, thereby denying Back Benchers the opportunity to ask pertinent questions. Will she examine that issue? Will she consider a way of restricting Front-Bench Opposition spokespeople from using up that time?

Ms Harman: The point of topical debates is twofold. First, they aim to ensure that when a hot topic is being discussed up and down the country, this House is certain to have an opportunity to discuss it. Secondly, they are an important opportunity for Back Benchers to contribute to a debate on a topic, and to make their constituents' views and their own wider views known. I have examined the amount of time that has been taken up by Ministers and the Opposition Front-Bench teams in topical debates, and too few Back Benchers appear to be getting in. That is partly because of Back Benchers intervening on Front-Bench spokespeople, but we must examine the issue. There is no point in deterring Back Benchers from participating in topical debates because they think that they will sit for ages waiting and will hear nothing but speeches made from the Front Benches. I very much want to examine this issue and discuss it with all parties to ensure that we reach a sensible conclusion.

Dr. Andrew Murrison (Westbury) (Con): In the abbreviated debate on armed forces personnel, will the right hon. and learned Lady ensure that her part-time colleague comes to the House prepared to talk about the military covenant in general and to address specifically the raw deal that service children get from a funding formula that completely fails to recognise the cost drivers that apply to schools with a high proportion of service children? I tried to raise this matter during yesterday's debate, but unfortunately the Minister for the Armed Forces largely ignored my remarks.

Ms Harman: The hon. Gentleman has acknowledged that he did have an opportunity to raise that issue in the House during yesterday's Opposition day debate. I shall take this opportunity to remind him that since this Government came to power in 1997, this country has become the second biggest spender on defence—second only to the United States. That investment has rightly gone into equipment, pay and housing for our armed forces. If he and the Conservatives are suggesting that more should be invested, it is incumbent on them also to suggest how much investment they would make and what they would cut to pay for it. Do they want us to overtake even America in our defence spending?

David Taylor (North-West Leicestershire) (Lab/Co-op): I strongly endorse what my hon. Friend the Member for Bridgend (Mrs. Moon) said. Further to remarks made by the hon. Member for Bromley and Chislehurst (Robert Neill), it must have been a black day for Her Majesty's Opposition when the former proprietor of their house magazines was convicted in the United States of America on charges of fraud and obstructing justice. May I make a bid for a topical debate on standards in public life, to examine, among other things, whether the regulations of the two Houses of Parliament on ending someone's membership should be brought into line with one another?

Ms Harman: My hon. Friend makes a good point. On party funding, he will know that the Government will introduce a Bill to ensure that we have fair and open funding of party campaigns, and that a cap is put on the total expenditure in campaigns so that we end the arms race. I hope that we will find support on both sides of the House for that.

Dr. Julian Lewis (New Forest, East) (Con): My question relates to column 611W of yesterday's *Hansard* and a written answer that I received. I thank the Leader of the House and her deputy most warmly for the support that they have been giving to my mini-campaign. When a Minister's written answer refers to a written answer given to another hon. Member, I would like a hard copy of that answer to be supplied. I also thank them both for the following written answer:

> "It is standard practice to provide Members with a copy of any previous response which is referred to in an answer to a question."—[*Official Report*, 26 November 2007; Vol. 468, c. 133W.]

May I therefore ask the Leader of the House to have a word with the Under-Secretary of State for Defence, the hon. Member for Halton (Derek Twigg)? He provided a written answer that stated:

> "The MOD has never provided this information and has no plans to change its policy."—[*Official Report*, 12 December 2007; Vol. 469, c. 611W.]

I know that they are overstretched and part-time, but should they not at least listen to the Leader of the House?

Ms Harman: When Ministers answer questions it is important that they recognise that this is about accountability. They should answer questions in a spirit of accountability to this House. They should not provide research pointers or clues so that the Member then has to do some more finding out. A complete answer ought to be given. Referring to other questions, to departmental or agency websites or to previous things is not being as helpful as I would like Ministers to be to Members of this House. Being helpful to Members and carrying on with the business of Government are both responsibilities. One of the responsibilities of Government is to be accountable to this House. I totally dispute what the hon. Gentleman said about the part-time something or other—I cannot remember what it was, but I totally disagree with it—but I strongly agree with him about ministerial accountability.

Several hon. Members *rose*—

Mr. Speaker: Order. I am now down to my six regular customers. For me to take them all, they must be very brief.

Mr. Nigel Evans (Ribble Valley) (Con): May we have a debate on the Prime Minister's busy schedule? The Leader of the House accused us of turning Europe into a pantomime, but the Prime Minister has done that himself. When the rest of the European Union leaders sign the constitutional treaty, they will ask, "Where is the British Prime Minister?" They will be told, "He's behind you." If the Prime Minister is signing away British constitutional rights, he should be there—

Mr. Speaker: There we are: some hon. Gentlemen just do not listen.

Ms Harman: That hon. Gentleman is not one of the usual suspects, who are much better. I shall sit down and wait to hear from one of them.

Mr. Henry Bellingham (North-West Norfolk) (Con): May we have a debate on prisons and offender data? Is the Leader of the House aware that Roger Hill, the director of the probation service within the National Offender Management Service, has said that the new computer system—CNOMIS—will be suspended and scaled down for use only in prisons? On the other hand, the Ministers of State at the Ministry of Justice, the right hon. Member for Delyn (Mr. Hanson) and the hon. Member for North Swindon (Mr. Wills), have said that that is not the case. Who is correct?

Ms Harman: I will get my right hon. Friend the Secretary of State for Justice to write to the hon. Gentleman with the answer to that question.

John Bercow (Buckingham) (Con): May we please have a statement next week on the proposed allocation of time for the consideration on Wednesday 9 January of the remaining stages of the Criminal Justice and Immigration Bill, given that one very important matter that we will have to consider that day is the Government's welcome creation of a new offence of homophobic hate crime, to which—sadly—some misguided souls are strongly opposed? Does the Leader of the House accept that it is

[John Bercow]

in the Government's and the public's interest to err on the side of generosity and allow adequate time so that the objections can be fully aired and effectively rebutted?

Ms Harman: I look forward to the hon. Gentleman's support for that important addition to the Bill. We will of course want to ensure that the Government have time to set out the arguments for its introduction and all sides have the opportunity to explain why they do or do not support it. We will take that into account when allocating time for the debate.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on post-traumatic stress and post-traumatic stress disorder, which affect an increasing number of our armed forces personnel? Will the Leader of the House put on record the Government's tribute to the hard-working staff of Combat Stress at Audley Court in Newport for all that they do for our brave servicemen and women?

Ms Harman: The hon. Gentleman will have an opportunity to make those points more fully in the debate on armed services personnel on Thursday 10 January.

Mr. Peter Bone (Wellingborough) (Con): I recently asked the Department for Transport how many car miles there were in 1997 and how many there are now. I ripped open the envelope that I received with great joy, but instead of an answer I had been given a 60-character URL. I did not know what to do with that, but my staff did. To add to the insult, the result was given in kilometres, not miles. Was not that done to hide the information from the media? What powers does the Leader of the House have to stop such actions?

Ms Harman: I do not accept the implication of some sort of conspiracy, especially in respect of the example that the hon. Gentleman gives. However, as my hon. Friend the Deputy Leader of the House said, the Procedure Committee is reflecting on the quality, timeliness and accuracy of written answers.

Mr. Mark Harper (Forest of Dean) (Con): Given the importance that the Leader of the House gives to the quality of written answers, perhaps she could speak to her colleague, the Secretary of State for Work and Pensions, so that the named day questions about his Department's control of information held on the public that were due for answer two and a half weeks ago could be answered before the Christmas recess.

Ms Harman: I think that I am getting déjà vu, as I thought that the hon. Gentleman had already asked that question of my hon. Friend the Deputy Leader of the House earlier. I ask him to recall her answer, as I am sure it was correct.

Mr. Philip Hollobone (Kettering) (Con): May we have a statement from the Secretary of State for Transport next week about the Government's role in the new rail service to and from Kettering, which has had a dramatic reduction in services to London and a 50 per cent. cut in train services north? Will the Secretary of State publish the specification against which the new franchise was judged?

Ms Harman: My right hon. Friend the Minister of State, Department of Transport, has recently been to the hon. Gentleman's constituency. The hon. Gentleman will know that since we came into government there have been more passengers and more freight on trains, better rolling stock and improved time-keeping. If he has any further concerns, I suggest that he raises them in a debate in Westminster Hall.

Security Industry Authority

12.35 pm

The Secretary of State for the Home Department (Jacqui Smith): Following my statement of 13 November, I would like to update the House on the actions that we are taking to address Security Industry Authority licensing checks and the issue of entitlement to work in the United Kingdom.

An SIA licence demonstrates that the holder has undergone training and that identity and criminality checks have been completed. An SIA licence has never constituted evidence of entitlement to work in this country, and it is the responsibility of employers to ensure that the people they employ are entitled to work.

Before my previous statement, steps were already being taken to prevent illegal working in the security industry. From 2 July 2007, the SIA introduced immigration status checks with the Border and Immigration Agency on all non-European economic area applicants as part of the security industry licensing process. That is not a substitute for employers meeting their clear obligations, but the SIA checks provide a double lock on illegal working in this area. Alongside the immigration status checks, my Department took steps to determine how many people who were granted licences prior to 2 July did not have the right to work. Plans were put in place for the BIA to check all the 39,885 non-EEA nationals licensed by SIA before 2 July. Manual checks had already started at the rate of 1,000 cases per week.

I wanted the process to be speeded up without compromising accuracy. I therefore ordered automatic matching between the SIA list of non-EEA nationals and databases operated by BIA and UK Visas. The BIA and SIA have now completed the checks on the 39,885 non-EEA nationals licensed by SIA before 2 July. On the basis of those checks, I am advised that the BIA is fully satisfied that 28,737 have the right to work in this country; the BIA believes that 6,653 do not have the right to work in this country; and, in 4,447 other cases, the BIA is not satisfied that the individual has proved the right to work. The balance of 48 represents duplicate records.

The following steps are being taken to revoke the licences of those found not to be entitled to work in this country. The SIA has written to all companies on their database to remind them of the need to check regularly on the SIA's website the registers of licence holders and of revoked licences, to ensure that all their staff have the right to work. The registers are currently receiving more than 1,000 hits a day. Apart from a small number of cases whose SIA licence is close to expiry, the SIA has written to all of those individuals—more than 10,500—for whom checks indicate no right to work or where the BIA is not satisfied that the individual has the right to work. Those letters advise the licence holder that the SIA is minded to revoke their licence. The SIA gives recipients 21 days in which to respond with further information, and it expects that many will do so. If evidence is not forthcoming, the SIA will move to revocation. The law then allows the individual a further 21 days in which to appeal to the magistrates or sheriff courts. Once the SIA has completed the process, it will be in a position to determine the number of individuals who were not entitled to work but obtained SIA licences prior to the new double lock checking regime that is now in place.

The SIA expects that a significant proportion may yet establish that they have a right to work in this country. I am advised that, of the new applicants for licences initially considered for refusal by the SIA on the basis of checks with the BIA after 2 July, more than 30 per cent. have since shown that they have the right to work. The SIA will publish the final numbers of the pre-2 July group on its website when they are complete.

I repeat that it is important that all employers fulfil their obligations by carrying out all the proper checks before taking anyone on. We are also taking further steps to protect the public from those individuals whom we suspect have breached our immigration laws by working here illegally. First, all the cases where "minded to revoke" action is being taken against individuals have been passed to the BIA enforcement intelligence units to be assessed for further action. The BIA is screening those individuals against the police national computer and other databases so that we can target any individuals who may pose a risk to the public.

Secondly, the cases are being analysed for evidence of employers who appear to have a track record of employing people who do not have a right to work. The BIA tells me that a third of its illegal working operation is deployed on that employment sector. Visits to specific individuals and employers have already begun and swift action has been taken in those cases that merit it. A series of targeted enforcement operations will take place in the coming months, with a view to prosecuting employers and removing or prosecuting individuals in the worst cases.

Thirdly, in line with our enforcement strategy, we will continue to target illegal working on the basis of the risk of harm to the public. New powers which come into force in February will mean that we can more easily fine employers who break the rules. Now that we have identified a significant problem in the security industry, we will maintain a focus on its employers and staff.

We are taking other steps further to guard against illegal working in the security industry. First, the BIA has passed to the SIA the right-to-work expiry dates of all licence holders and recent new applicants. The SIA has agreed that in future it will send "minded to revoke" letters to all those licence holders shortly before their right-to-work status expires. Secondly, I have asked the BIA to work with the SIA to provide specialist advice to enhance its ability to spot fraudulent documentation.

Thirdly, the SIA's licence application form does not specifically ask applicants to state that they have the right to work in the UK. I have therefore asked the SIA to review the application form to ensure that it contains all the information both the SIA and BIA may need, with a view to making changes as soon as possible. Fourthly, in January the SIA will run a joint seminar with the British Security Industry Association to underline the importance of employers' meeting their responsibilities in that area. Fifthly, the taskforce that I set up to resolve the issue in September, chaired by the Under-Secretary of State for the Home Department,

[Jacqui Smith]

my hon. Friend the Member for Gedling (Mr. Coaker), will continue to oversee action.

I believe that the update that I have provided today demonstrates my determination, and that of the Government, to put in place effective systems and procedures to protect the public further. I commend the statement to the House.

David Davis (Haltemprice and Howden) (Con): I thank the Home Secretary for advance sight of her statement.

Last month, we were told there were 5,000 illegal foreign workers in the security industry. Then it was 10,000. Now it is up to 11,000. First, will the Home Secretary answer some simple factual questions? How many of the 11,000 people working in security positions without a work permit have had their SIA licence revoked? Is she telling us that so far there have been none after nine months? How many have been removed from their security posts? How many are still in place, and why? How many have been deported? How many of those illegal workers does she expect to be deported? Can she now answer the question that I asked her last month: how many have been engaged protecting police, military or Government posts or critical national infrastructure?

My next questions relate to how on earth the system went so badly wrong. The Home Secretary said today that an SIA licence has

> "never constituted evidence of entitlement to work in this country".

That is not what the SIA says, and nor is it what any reasonable employer would accept. In a document published by the SIA in 2006, and repeated on its website, it states:

> "To obtain an SIA licence it is necessary to pass checks relating to competency and being a fit and proper person for the role."

It goes on:

> "The fit and proper person check is made up of the following checks"—

and No. 1 is the

> "right to work in the UK".

Does the Secretary of State accept that the SIA led the industry to believe that it checked immigration status?

The SIA required a range of documents including passports and driving licences. It held those documents for up to three months. In some 5,000 to 11,000 cases they were presumably forgeries. How was the SIA—I emphasise that it is the Security Industry Authority—able to miss up to 11,000 forgeries? Who is responsible for that failure? Will there now be prosecutions in every case where forged documents were provided?

Not just the SIA was fooled. The application form provides for the applicant to give a national insurance number. In how many cases were illegal immigrants given a national insurance number? What are the checks made before a national insurance number is given? Is there a check on immigration status, and if not, why not?

There is also the issue of the Government's candour—or lack of it. In her November statement, the Home Secretary said that Ministers were informed about the problem in June, yet the Minister for Borders and Immigration told the Select Committee on Home Affairs on 27 November that he knew in April. Was he mistaken or did the Home Secretary accidentally misinform the House earlier?

The Home Secretary told the House in her last statement that she did not tell the Prime Minister until the weekend before. She said:

> "I did not tell the Prime Minister because there was not a fiasco".—[*Official Report*, 13 November 2007; Vol. 467, c. 538.]

I will pass over what it takes to constitute a fiasco in the Home Office these days. The problem we have is that when the Prime Minister was asked the very next day to confirm when the Home Secretary had told him, he refused to answer three times. When I asked him the next week by written question to confirm the account, he referred me back to his non-answer. When his spokesman was asked at the Lobby briefing, he replied that he would not get into internal government processes and discussions.

Let us be clear about what the Home Secretary has said. She was aware in July. However, in August, September and October, when the Prime Minister was actively considering an election, she did not tell him about the brewing scandal in the Home Office. Will she confirm that neither she nor her office and her advisers informed either the Prime Minister or his office before Saturday 10 November 2007? Yes or no?

Jacqui Smith: First, the right hon. Gentleman's point about certainty of information proves the point made in my last statement about the importance of ensuring that information is certain before reporting it to the House. He has just cited a series of figures, even though I made it clear when I made that statement that they were not certified and checked. That was why I argued as I did and have come back to the House to provide the detailed information in my statement today.

There have been 409 revocations of licences from before 2 July, when the new immigration checks were brought in. More than 10,000 letters instituting revocation have been issued, but as the revocation process involves a minimum period of 42 days, there will obviously be more. However, 409 is the figure at the moment.

The right hon. Gentleman asked me specific questions about enforcement. The Border and Immigration Agency has rightly focused its attention on working with the SIA to identify the scale of the problem so that further work can be done. At the same time, however, the BIA has also started investigations into 328 of the cases referred to it. It has carried out 101 enforcement visits and arrested 15 individuals, and plans to make at least 400 further visits by the end of January.

The right hon. Gentleman then spoke about the system as a whole, and I want to begin my response to that by repeating what I said in my previous statement to the House. The SIA was not failing to do anything that it was legally required to do. The legal requirement to check an employee's right to work has always fallen on employers, but the SIA did carry out spot-checks on a sample. Along with the enforcement activities that took place in April, those spot-checks identified that there was a need to tighten the system even further by the application of what I have described as a double lock. That is what has happened. It is why, from 2 July, 100 per cent. of those applying for a SIA licence have been subject to a check of their immigration status. It is also why the evidence required for identity checks was upgraded from 1 October—a change that will impact on everyone with a SIA licence that comes up for renewal.

The right hon. Gentleman asked about forgeries. He will know that they can be very expert, but the BIA has considerable expertise in discovering them and winkling them out. That is why, as I said in my statement, I have asked the BIA to provide the SIA with advice on how to identify forgeries.

As for national insurance numbers, I can tell the right hon. Gentleman that anyone applying for an employment-related NI number must supply proof of the right to work in the UK by providing a limited number of specified documents. I repeat what I said in my previous statement to the House on these matters: my hon. Friend the Minister for Borders and Immigration told the Home Affairs Committee that we undertook an enforcement operation in April. In other words, that was precisely the sort of action in respect of the immigration system that we must take if we are to clamp down on illegal working. The operation identified a potential problem in the security industry, and led to the action that was taken subsequently.

Finally, the right hon. Gentleman asked about keeping the Prime Minister up to date about what is happening with this matter. In fact, in his response to my statement he quoted how we did just that.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I thank the Home Secretary for giving me advance sight of her statement.

For some time now, I have been following the series of scandals that has disfigured the Government's spectacular mismanagement of the immigration system. I thought that we had seen it all, but this latest, belated revelation of Keystone Cops incompetence truly takes the breath away.

For instance, we learned today that the BIA will

> "work with the SIA to provide specialist advice to enhance their ability to spot fraudulent documentation."

Why has something so basic not happened before? Why have we learned only today that the BIA is finally passing to the SIA the right-to-work expiry dates of all existing licence holders? Why has that not happened before?

We learned from the Home Secretary's statement today that as many as one in four of the 40,000 individuals licensed by the SIA might be illegal. Does she therefore agree that equally estimable analyses should be published of illegal working levels in those other sectors—such as agriculture, construction and hospitality—where they are known to be high?

Finally, so many resources were diverted to dealing with the foreign offenders scandal that the number of failed asylum seekers being deported fell by a massive 40 per cent. in the space of a few months. That suggests to me that the BIA is incapable of performing more than one task at a time. We learned today that a third of its illegal working operation is being allocated to dealing with that particular mess alone, so will the Home Secretary tell us what she thinks will be the knock-on effect of that massive deployment of resources? What other scandals can we look forward to as a result?

Jacqui Smith: It is a pleasure to see the hon. Gentleman in his place this afternoon. I presume that he feels confident that he has achieved success and that he no longer needs to be out on the hustings.

The hon. Gentleman asked about forgeries. As I said, we are adopting a sensible approach and making sure that the BIA's expertise in respect of forgeries is made available to the SIA, and it seems a little hard to be criticised for doing so. In addition, the action being taken over the expiry dates of people's leave and right to work is another example of the double lock—the belt and braces approach—that the Government are putting in place. When employers employ a person, they have the responsibility to carry out checks of that person's right to work, and to maintain those checks. Notwithstanding that responsibility, the Government are assisting the SIA by enabling it to issue "minded to revoke" letters in all circumstances when a person with a licence is coming to the end of the period when he or she has the right to work here.

The hon. Gentleman asked about illegal working. In our responses to parliamentary questions, the Government often provide information about our illegal working enforcement activities, including breakdowns of those activities by sector. The answer to illegal working is not simply to provide more information. We must also ensure that there is more enforcement, and the doubling of the BIA's enforcement effort is an important contribution to that.

The hon. Gentleman asked a linked question about the enforced return of failed asylum seekers. It is true that we matched our record for enforced returns in the third quarter of the year, but we are also carrying out our promise to prioritise those who pose the biggest threat of harm. That is why I believe that we will be successful in achieving the targets that we have set ourselves for returning foreign national prisoners this year.

If he had his way, the hon. Gentleman would provide an amnesty for people who are currently working illegally in this country as failed asylum seekers. That could only make the problem worse, so his criticisms are therefore a little hard to take.

Keith Vaz (Leicester, East) (Lab): May I thank the Home Secretary for fulfilling her promise to return to the House and report back on the steps that she has taken? I warmly welcome what she and the Minister for Borders and Immigration have done to resolve what is a difficult problem.

I am glad that the Home Secretary has accepted the point about the application form that was made at the most recent Home Affairs Committee hearing. It is blindingly obvious that the form should have contained the question, "Do you have the right to work?" We could not understand why the SIA chief executive refused to change the form.

However, will my right hon. Friend tell us what the endgame will be? She has updated us on the figures and

[Keith Vaz]

told us precisely how many licences have been revoked. She has also confirmed that the taskforce will continue under the supervision of the Under-Secretary of State for the Home Department, my hon. Friend the Member for Gedling (Mr. Coaker), but when will she be able to tell the House that the matter has been resolved completely and that the licences have finally been revoked?

Jacqui Smith: I thank my right hon. Friend for raising the point about a positive declaration of the right to work on the application form. We have taken cognisance of it and I have asked the authority to redesign the form to ensure that all the necessary information is included.

On what my right hon. Friend describes as the endgame, I can say that the result of the action we have taken, particularly since 2 July, is to strengthen, on an ongoing basis, both the immigration checks made when somebody applies for a Security Industry Authority licence—there is now a 100 per cent. check—and, from 1 October, the nature of the evidence required to verify somebody's identity, which will ensure, as I said in my statement, that any doubt about the veracity of identity documents will be dealt with as licences come up for renewal.

My right hon. Friend asked when we would know the number of revocations. In my statement, I said that the revocation process takes a minimum of 42 days. Some individuals will exercise their right to lodge an appeal in the magistrates courts or sheriff courts, but I have made it clear that the SIA should maintain a record of licences that are being revoked, so that when we complete the process it should be able to report on the total number of licence revocations.

Dr. Julian Lewis (New Forest, East) (Con): Did the Home Secretary tell the Prime Minister about this particular calamity before 10 November?

Jacqui Smith: I did not.

Mr. Bruce George (Walsall, South) (Lab): Does the Home Secretary accept that most people who take an interest in the Security Industry Authority—both of us—agree that it is doing a pretty good job? I am not uncritical, but it does a good job. If my right hon. Friend talks to people who have been around for a long time she will understand why the Conservatives are so aggressive: they never liked the concept of the SIA. Although they had the opportunity, between 1979 and 1997, to introduce such an authority they completely opposed the concept. There may be some sort of regression, so does my right hon. Friend accept that they have form in this area? When they held office there was no regulatory authority, so how many people slipped through the net in the absence of the SIA that they are now kicking?

Jacqui Smith: My right hon. Friend makes an important point. When I read some of the reports of the Committee proceedings of the Private Security Industry Act 2001, which brought in the SIA, I was struck by the wisdom of my right hon. Friend's contributions. He has been interested in the matter for a long time, and he is right to note that a large number of people have come to it relatively recently with the intention of kicking the SIA, which has played an important role. The security industry, pre-SIA, was almost wholly unregulated in respect of its staffing, so regardless of whether a person had a criminal record or the right to work in the UK, or whether there were other slightly dodgy elements, they could get a job in the security industry. Thanks to the work of my right hon. Friend and others, and thanks to the Government's willingness to introduce legislation, we have a regulated security industry, and members of the public and employers can feel more confident about the quality of the service they are offering and receiving.

Mr. Henry Bellingham (North-West Norfolk) (Con): The Home Secretary mentioned the words "double lock" about 14 times. Can she confirm that the doors being double locked were actually wide open? Is she aware that the Tribunals, Courts and Enforcement Act 2007 brought under the SIA the regulation of private bailiffs? Can she tell the House how many private bailiffs are working without a permit and what steps she is taking to ensure that the regulatory regime for private bailiffs has at its core the prevention of any illegal work?

Jacqui Smith: The Under-Secretary of State, my hon. Friend the Member for Gedling, tells me that work is under way to bring the regulation of private bailiffs within the purview of the SIA. If the hon. Gentleman is genuinely interested, he might like to have a conversation with my hon. Friend.

Mr. Mike Weir (Angus) (SNP): The Home Secretary rightly reminds employers of their obligations, but what does she say to employers who do make the appropriate checks but cannot obtain licences for people who clearly have a right to work? One of my constituents was told recently that no new licences would be issued for two months, despite the fact that there had already been a considerable delay. One Scottish local authority had to switch off a CCTV camera system for six weeks because the licences had not arrived. Is it the case that there is chaos at the heart of the SIA, or is it that because resources are being redeployed to firefight this particular problem, other parts of the authority's work are going by the board?

Jacqui Smith: I do not know whether the hon. Gentleman is talking specifically about the situation in Scotland, where the need for an SIA licence was implemented only on 1 November, although people have been able to apply for licences since 1 February, which is clearly a much longer period than two months. My understanding is that 80 per cent. of licences are issued within eight weeks. The only instances where there may be a short delay—perhaps one to two weeks—are in respect of applicants from outside the European economic area, where, as I have already said, we are making additional checks.

Mr. Weir *indicated dissent.*

Jacqui Smith: The hon. Gentleman may shake his head, but I am happy to say that the Scottish Cabinet Secretary for Justice wrote to us recently to thank us and our officials for our co-operation in ensuring that the system works smoothly and securely.

Mr. John Baron (Billericay) (Con): May I suggest that the Home Secretary's answer to the question asked by my right hon. Friend the Member for Haltemprice and Howden (David Davis) about the granting of SIA licences was completely laughable? Her suggestion that checks will be tightened up clearly shows that the immigration system is a complete shambles in that regard. She suggests that employers can make the checks, but does she not accept that in granting licences the SIA clearly creates the impression that illegal immigrants have been checked and can work in the UK, given the stipulations in the SIA regulations?

Jacqui Smith: I do not suggest that employers should check right-to-work status; it is the Asylum and Immigration Act 1996 that suggests employers have a duty to check, and the Immigration, Asylum and Nationality Act 2006 tightens up that requirement. Employers have a legal requirement to check whether somebody has the right to work, and now—to assist employers in the security industry—there will be an extra check by the SIA of people's right to work before they are issued with a licence. That is the double lock to which the right hon. Member for Haltemprice and Howden was referring.

ROYAL ASSENT

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Act:

Consolidated Fund Act 2007

TOPICAL DEBATE

Financial Services (Low-income Families)

1.8 pm

The Economic Secretary to the Treasury (Kitty Ussher): I beg to move,

That this House has considered the matter of availability of financial services for low income families.

It is a pleasure to open the fifth-ever topical debate and to talk about such an important issue. Financial inclusion—ensuring that everyone can access the financial services they need to participate in today's economy and society—is an issue in which many Members take a close interest. I welcome that, because the Government believe the issue demands our attention. We have made it a priority and we continue to focus on it, and I shall explain why.

Many Members have seen the effects of financial exclusion in their constituency, as I have. Being excluded from the system can mean that people face extra costs, such as paying commission to cash a cheque if they do not have a bank account. If they do not have savings or insurance, they may have difficulty replacing household necessities that are damaged or lost. They may experience the real problems of over-indebtedness, which could have been avoided with the right advice and support. Some people even face intimidation and violence at the hands of illegal loan sharks, as well as high costs, if affordable credit is not available.

Mr. Mike Weir (Angus) (SNP): Although I fully appreciate what the Minister is saying, does she accept that the local post office was often the only place in many villages in rural areas and deprived communities where financial inclusion was available and that the closure of many of those post offices is causing real problems?

Kitty Ussher: The hon. Gentleman will be aware that specific initiatives are in place, in conjunction with my colleagues in the Department for Business, Enterprise and Regulatory Reform, to ensure that any avoidable closure of a rural post office is indeed avoided. However, it has to be said that if people used post offices more, they would be viable companies to operate.

As hon. Members will know, the effects of financial exclusion are felt most by those who can least afford them: low-income families and some of the vulnerable members of our society. Those effects can entrench poverty, because the poor end up paying more. Tackling financial exclusion is quite simply a matter of social justice, as well as a matter of economic efficiency. There is therefore a clear case for Government action. Over the last few years in particular, we have made that a priority. In 2004, we set up a financial exclusion taskforce to advise us and monitor our progress. That was in addition to the financial inclusion fund of, initially, £120 million over three years. So far, that fund has allowed DBERR to help more than 66,000 people to get free, face-to-face advice on their debt problems and the Department for Work and Pensions to increase the supply of affordable credit in rural and urban areas.

[Kitty Ussher]

Work has been carried out with more than 100 third sector lenders to provide £20 million of affordable loans to more than 46,000 financially excluded people.

Mr. Philip Hollobone (Kettering) (Con): Kettering Welfare Rights, which is a voluntary organisation, secures more than £3 million of benefits for people who otherwise would not get them. Would not the process be made that much easier if, instead of launching all these laudable initiatives, Departments simply did what they are expected to do: get benefits to people who qualify for them, rather than relying on voluntary organisations to make sure that the process works?

Kitty Ussher: Of course Departments put considerable energy into ensuring that eligible benefit recipients receive their benefits, but I am sure that we would all agree that there is often an information mismatch. I am delighted to hear about the work in Kettering. In my constituency, an invaluable role is played by Lancashire Welfare Rights, which is a free service provided by Lancashire county council to address that gap. I commend local authorities that complement the work of national Government.

I was talking about the effect of the national initiatives to combat financial exclusion. Over the past few years, we have also been working with the banks towards a shared target to halve the number of adults who do not have access to a bank account. By September 2005, we were 60 per cent. of the way towards achieving our target, with 800,000 adults brought into banking. That is the most recent figure available. We hope and expect that number to be even higher in the updated figures. There has been progress in helping low-income families to access the financial services that they need—bank accounts, affordable credit and money advice—but that progress needs to continue.

Mr. Brooks Newmark (Braintree) (Con): Will the Minister acknowledge that the continued closure of post offices, particularly in rural areas such as those in my constituency, will only exacerbate the problem of financial exclusion, particularly for elderly people?

Kitty Ussher: I am not sure whether the hon. Gentleman listened to my response to the hon. Member for Angus (Mr. Weir). I do not accept that financial exclusion will be made worse. The Government have tried every single avenue to ensure that avoidable closures in rural areas are indeed avoided, with some considerable innovative successes. Post offices have moved into other businesses and so on.

Anne Snelgrove (South Swindon) (Lab): Is my hon. Friend aware that the Post Office has just introduced a new Christmas savings scheme, which will be targeted at low-income families? It intends to introduce the scheme shortly after this Christmas, in time for next Christmas. I am seeing representatives of the Post Office on Monday to ensure that all the regulatory requirements are met. The scheme will ensure that post offices have even more business, so that they will remain open in future.

Kitty Ussher: I am aware of the scheme and I commend the work of the Post Office in that regard and the efforts of my hon. Friend. That is just one example of how the Post Office is able to use its trusted brand—it is often particularly trusted at the lower ends of the market—to offer products that help to deal with financial exclusion issues. Low-cost insurance is a good example, as is making sure that people are able to use Post Office services to access broader financial services.

Mr. Newmark *rose*—

Kitty Ussher: The hon. Gentleman looks so keen to intervene that I must allow him to do so.

Mr. Newmark: I want to follow up on the interesting point made in the intervention about Christmas schemes. What lessons have the Government learned from the failures in relation to the Farepak disaster last year? Those lessons would be helpful in dealing with this issue.

Kitty Ussher: I am sure that a large number of Members will wish to mention Farepak, but the hon. Gentleman has been the first to do so. I was coming on to that point. We initially took steps to provide better protection and information for consumers. We have worked with the other hamper companies to put in place effective protection for customers' pre-payments. We welcome the action by the industry to put in place independently controlled accounts to protect customers' funds. We gave the Office of Fair Trading £1 million for an initial marketing campaign. The figure will be £2 million in the financial inclusion plan for the next comprehensive spending review, which I announced a couple of weeks ago. Specific action is being taken by the companies investigation branch and the liquidators with regard to Farepak. We have not ruled out further regulation once that process is complete. I am happy to return to this matter.

Mr. Weir: Does not the Post Office Christmas scheme, which is laudable and which I fully support, underline the point that in many deprived communities and small villages the post office is the only place left that offers any sort of financial business? The banks have long since gone from many of those areas. If the post office is closed, it does not matter what sort of scheme exists, because people will not be able to access it.

Kitty Ussher: That is why we are doing everything we can to prevent closures in rural areas, as I made clear to the hon. Gentleman previously. Special Government money is available and innovative solutions are considered on a regional and sub-regional basis to make sure that in every single case where the business becomes unviable, if there is an alternative that can be used to save the rural post office it will be pursued. There are examples up and down the land of post offices moving into other premises and of mobile post offices. I support every single one of those ideas.

Ms Katy Clark (North Ayrshire and Arran) (Lab): Does my hon. Friend agree that, to enable post offices to remain viable and to continue to operate, there is a need for them to provide as many services as possible and for them to be given a level playing field to compete with other providers?

Kitty Ussher: I agree very much with my hon. Friend's point, which is why the provision of other financial services through the Post Office is so important: it will raise the footfall through the existing post offices to make sure that the individual business men and women—the sub-postmasters and sub-postmistresses—who are trying to keep their businesses viable have a greater chance to do so. I support every individual sub-postmaster and sub-postmistress who wishes to diversify their business, either by means of the stock of products available through Post Office Counters Ltd, or by diversifying into another business to keep the shop open. My hon. Friend makes a good point.

As I said, we have made progress in helping low-income families to access the financial services that they need—bank accounts, affordable credit and money advice—but that needs to continue. In the comprehensive spending review, we announced that our financial inclusion fund for the next spending period will increase to £130 million over the next three years. Just last week, we published our financial inclusion action plan, setting out how that money will be used to take forward our three goals for financial inclusion.

The first goal is that everyone should be able to manage their money effectively and securely. That means continuing with our shared target on basic bank accounts, which I mentioned, but also making sure that those accounts are accessible—including by increasing the supply of free ATMs. It is now exactly a year since the working group on ATMs, led by my right hon. Friend the Member for West Dunbartonshire (John McFall), published its report. More than 540 new free ATM sites have been identified, with more than 330 machines already issuing cash free of charge to people in low-income areas, including the constituencies of many hon. Members present this afternoon.

The second goal is making sure that people who find themselves in financial difficulty can get the support that they need. We will use about £75 million of our financial inclusion fund to allow DBERR to continue to provide the free face-to-face advice that already helps so many people.

The third goal is that everyone should be able to plan for the future, and affordable credit and appropriate savings accounts should be available to help them. I am sure that hon. Members will agree with me about the importance of affordable credit in helping vulnerable people to avoid the need for expensive—or even, in some cases, illegal—borrowing and the spiral of debt to which that can lead. I am therefore pleased to say that £38 million of the fund will be used by the Department for Work and Pensions to double the third sector's capacity to lend to the financially excluded. I am particularly pleased with, and would like to thank, the banks that have committed to taking action to support third sector affordable credit.

James Brokenshire (Hornchurch) (Con): The Minister talked about affordable credit. The Government introduced the Consumer Credit Act 2006, which sought to clarify the situation regarding extortionate credit bargains, which came about under previous laws, and to try to promote the concept of more responsible lending. Will she give an assessment of the Act's impact on those issues? What impact has it had in allowing us to strike the balance between making sure that loans are made available to people on low incomes, and ensuring that they are not exploited, either legally or illegally?

Kitty Ussher: I am grateful to the hon. Gentleman for that point. He correctly identifies the effect that the Act, which received Royal Assent last year, will have. It is being implemented progressively. One of its most important aspects is the way in which it will increase the transparency of terms for consumers, strengthen consumer rights by enabling consumers to challenge unfair lending agreements and to seek redress, and make it possible for disputes to be resolved more easily. Of course, it also gives people the right to use the financial ombudsman service in consumer credit disputes. That and a number of other measures will make a huge difference.

Much of the lending that will take place through the mechanism that I just described—through the Department for Work and Pension's growth fund for credit unions and others—will of course strengthen the credit union sector. That will make a huge difference in many of our constituencies. Credit unions have a huge part to play in tackling financial exclusion, so we are currently reviewing the legislation for credit unions and co-operatives, with the aim of helping them to compete with companies and to provide their services to a wider range of people. We will publish our detailed proposals shortly.

We want to make sure that people have access not only to affordable credit, but to appropriate savings options. That brings us on to Farepak—one of the issues that make the debate topical, as we are approaching Christmas. I am sure that all hon. Members share our wish to prevent last year's disaster from happening again. As I said previously, to help achieve that, £2 million of the financial inclusion fund will be used to continue the Office of Fair Trading's "Save Xmas" campaign, which helps people to understand their Christmas saving options.

Of course, we have to think about savings more widely, and particularly about encouraging people on lower incomes to save. Since 1997, individual savings accounts have been successful in developing and extending the savings habit, and the child trust fund will ensure that in future all young people have a financial asset at 18, regardless of their parents' background. In the past few years, through the saving gateway pilots, we have been exploring the idea of matching—whereby every pound saved is matched by a Government contribution—to incentivise those on lower incomes to save. The pilots have shown that matching works as a simple and easily understood incentive to save, and that it can help to promote financial inclusion by promoting regular saving in a regulated environment, and by bringing some people into contact with financial institutions for the first time. We are now conducting feasibility work on whether the saving gateway could be rolled out nationally, and we intend to make announcements on that next year.

[Kitty Ussher]

In conclusion, we are focusing, and will continue to focus, on increasing low-income families' access to the financial services that they need—to bank accounts, money advice, affordable credit and savings accounts. I should like to take this opportunity to thank all those who are involved in those efforts, whether in the third sector, the banks, local government, this House, voluntary organisations or elsewhere. All hon. Members present will agree that those are important issues, and that we need to tackle financial exclusion. Once again, it is a pleasure to discuss today the ways we plan to do that.

1.24 pm

Mr. Mark Hoban (Fareham) (Con): Families in Britain face a real challenge today. The global credit squeeze does not just affect international banks and businesses; it ripples its way through to families across the country. Increases in the rates at which banks lend to each other will push up the cost of mortgages. Lenders are turning down applications for credit cards and are reviewing credit limits. People who would have been granted credit a few months ago will now face rejection. More people will be turning to alternative lenders, as mainstream lenders turn them away. The cost will be higher charges, if they can borrow at all. As this week's Save the Children report highlighted, the annual percentage rate on home credit can be as high as 183 per cent.

Many low-income families have an income that is too low to secure low-cost credit, or too volatile to service loans regularly—characteristics that often make them unattractive to mainstream lenders who provide better support, although the home credit market can deal with them. Such families tend to turn to credit through need, rather than because they want to. The Save the Children report suggested that 57 per cent. of families on low income had no savings at all. That rose to 72 per cent. for lone parents.

Clearly, we need to face the challenge of making financial services products available to people on low incomes. That challenge is a social responsibility. It is partly the responsibility of Government, and partly the responsibility of business, the voluntary sector and individuals.

James Brokenshire: Does my hon. Friend agree that there is a cultural issue, too? Research carried out by Royal Mail suggested that people were more likely to play the Lotto than save. Changing all that requires significant focus. That is against a backdrop of £1.3 trillion of personal debt in the economy, which has created problems across the board that have not been thought about properly.

Mr. Hoban: My hon. Friend makes an important point. In the pre-Budget report published in October, we can see that the savings ratio for this year is falling to 3.5 per cent. When the Minister and I discussed the issue last month in Westminster Hall, she seemed quite relaxed about it, but I think that the issue is important, because it means that a lot of families on low incomes do not have the money to withstand financial shocks, such as losing a job or not having overtime in a particular week, and are therefore dependent on access to credit to smooth their income and expenditure. We need to work much harder than the Government are to recreate a savings culture, so that people plan more carefully for their future and can take control of their lives, rather than having to depend on credit.

It is interesting to note that when I went to see the Portsmouth Savers Credit Union, of which I am a member, its representatives told me that a number of people get their benefit paid into their credit union account, and leave something behind at the end of the week or the month, so that they have a reserve left for a rainy day, or to deal with a problem. That shows that people of all incomes have the desire to build up a nest-egg—to have a pot of savings that they can use when things are hard.

Ms Katy Clark: The hon. Gentleman will be aware of what happened last year with Farepak. One of the issues highlighted following its collapse was the fact that Christmas savings clubs, and the wider pre-payment sector, are not regulated. Will he support calls for the regulation of the pre-payment industry?

Mr. Hoban: We need to be careful about proposing regulation for those sectors, because it could mean that many schemes that offer an appropriate method of saving are closed down, or that the cost of operating such schemes would increase. That issue is an important part of the debate; I was about to come on to it, but I will touch on it now in the context of Farepak. A lot of people were surprised about why Farepak was so popular, but as we know from the Financial Services Authority's financial capability review and some of the research that has been done on patterns of saving and spending among people on low incomes, such people take a jam-jar approach. They want to put money aside, locked away, for a specific purpose. It is important that we think about that carefully and do not close off those options to people on low incomes. That approach to saving and budgeting is probably one of the reasons why, in the FSA's financial capability review, people on low incomes were seen as being better at budgeting and managing their money than people on higher incomes.

Anne Snelgrove: It would be wrong of us to assume that all the people who saved with Farepak were low-income families. The people who lost the most money were low-income families because they saved their £10 or £5 a week in cash, whereas others paid out through debit and credit cards and therefore got their money back through the related insurance schemes. Another issue is that 85 per cent. of the people who lost money with Farepak were female savers. In low-income families, the women do the saving, and they save in that traditional way. We need to focus our attention on how different sexes save, particularly at low-income levels.

Mr. Hoban: The hon. Lady makes an important point. When we think about how to tackle issues associated with saving and access to financial products, we need to think about the behavioural characteristics of individuals. Instead of projecting on to them our own views and our own approach to managing money, we should ask them what they need and what they want. That is an important factor, which I have begun to appreciate in the two years that I have been in my present role.

We must listen much more carefully to those on low or moderate incomes to understand how they save and how they manage their money so that, in terms of improving access to financial services products, we offer them something that they need and want, rather than something that we think they need or should have. We need to be careful of that in this debate.

Mr. Weir: One of the reasons that schemes like Farepak were so successful is that people on low incomes could save small sums on a weekly basis. One of the problems with many financial products is that people are not encouraged to save small sums on a weekly basis. Credit unions are so successful because they allow people to do that.

Mr. Hoban: Indeed. That goes back to the importance of designing institutions and products that match the behaviour and the needs of the people whom they are trying to serve. Credit unions are so attractive because they are willing to accept small amounts of money on a regular basis, whether those are deposits or repayments on loans. In these matters, we should go with the grain of people's behaviour, rather than trying to project how we think they should behave.

Credit unions offer an important way of bridging the gap between mainstream lenders and the saver home credit market. The Minister is right to highlight the importance of strengthening credit unions to make them more viable and considering ways of reforming the common bond to increase their membership. From time to time we see evidence that credit unions are not sufficiently viable or sustainable.

The recent collapse of Streetcred with about 3,000 members is a reminder to us that we must work hard to build up the sustainability and capability of the credit union network. That involves organisations like the Association of British Credit Unions working with their members, as well as organisations like Barclays working in partnership with them. Barclays has worked well, using its PEARLS scheme, to change the culture in credit unions.

Dr. Alan Whitehead (Southampton, Test) (Lab): Does the hon. Gentleman accept that until credit unions are able to pay interest on savings that their members place in their accounts, they may be limited in the extent to which they can perform the sort of service for savers that we all think is so important? Would he support the idea that credit unions should be able to pay interest on savings put into their accounts?

Mr. Hoban: I think they do already.

Kitty Ussher *indicated dissent.*

Mr. Hoban: Apparently they do not. The small sum that I have with Portsmouth Savers Credit Union is clearly not earning any interest. *[Interruption.]* The hon. Member for Portsmouth, North (Sarah McCarthy-Fry), who is my neighbour, believes that her credit union, which I believe is the same as mine, pays interest.

There is a wider point that I want to make about sustainability—the products that credit unions can offer. One of the issues that is being consulted on, or should be, is the ability of organisations to make deposits with credit unions. I imagine that many church groups, voluntary groups and social enterprises might wish to make deposits with credit unions to help them grow, develop and lend money to other people.

Ms Katy Clark: Does the hon. Gentleman agree that one of the features of the financial sector that affects those on low incomes is that often, interest is not available when individuals save, whether through a Christmas savings club such as Farepak, or through credit unions, but when people on low incomes borrow, they are often charged exorbitant rates of interest?

Mr. Hoban: Yes. I touched on the Save the Children report published earlier this week, which referred to the interest that is charged on the home credit market. We should pause for a moment and remember that credit unions are not universal yet. There is more work to be done to increase their coverage and to increase the number of people whom they serve. If people are turned away from mainstream lenders, they may turn to loan sharks and illegal lending. The alternative is the home credit market.

When I first looked at home credit, I was taken aback by the high rates of interest charged, but I recognise the service that such companies offer. They are willing to lend small amounts, to collect from people's homes, to collect payments weekly and to suspend payments when a family is suffering a financial problem. Those services are expensive and that is reflected in the interest cost. When people are critical of home credit, we need to think carefully about the alternative to replace them.

It is important to expand the home credit market and to increase data sharing. When the Competition Commission investigated home credit companies, one of the remedies that it proposed was to increase data sharing with credit reference agencies so that people could build up a positive record that would enable them to borrow from mainstream lenders. That will help people migrate from home credit to other forms of lending.

In the document that she produced last week, the Minister referred to the loan shark project initiated by the Department for Business, Enterprise and Regulatory Reform. That was mentioned in four or five different places in a 27-page document, which was impressive repetition. Can she tell me how many people are involved in the pilot teams across the country? I think there is one team per region. Loan sharks are a big issue to tackle, and particularly with the pressure that people will be under in accessing cheap credit, we need to know how much resource is being put into that project. I will happily give way if the Minister wishes, or she may wish to respond when she winds up the debate.

Having accessed credit from the home credit market or elsewhere, people may face difficulties in repaying the debt. It is important that we recognise the social responsibility to help people in those circumstances.

I have touched on the third sector in the context of credit unions. We know that the Money Advice Trust, which is funded in part by the banks, Citizens Advice

[Mr. Hoban]

and the Consumer Credit Counselling Service all help to provide valuable support to people who are struggling with managing their credit. As we potentially move towards a more difficult time for householders over the next few months, it is important that these services are signposted more clearly by lenders so that they are involved in preventive work, instead of people turning to them in a crisis. That will help to solve long-term problems that we have.

The Minister referred to the Thoresen review of generic financial advice. The debate is primarily about families on low incomes, but generic financial advice is also needed by people on moderate incomes and is part of the support mechanism behind personal accounts to provide the right advice. We need to make sure that a range of services is available to people, regardless of their incomes.

Many such initiatives are being supported not only by the Government, but by the private sector. The retail banks helped fund the Post Office card account, which has been helpful for financial inclusion. They also supported the basic bank account and progress towards free cash machines. However, the Government are asking for an awful lot of funding from the private sector; the Thoresen review will also be partly funded by the private sector. We need a clear sense of priorities from the Government about how things are going to work. If we are to get support from business and the third sector, we need to ensure that they clearly understand the Government's priorities and that the Government send clear signals about what is important and how the priorities should be responded to.

No one can foretell what will happen in the next few months and how people's credit situations will change. However, I suspect that we will come back to the subject before long.

1.40 pm

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I welcome not only today's debate, which is timely in every sense of the word, but what the Government have done to promote financial inclusion and the availability of financial services to those on low incomes.

As the Economic Secretary knows, last night an event was organised by the all-party group on debt and personal finance, which I chair. Among the event's themes was financial inclusion. The Economic Secretary was due to speak, but last night's debate on Northern Rock detained her in the Chamber. If she had attended, she would have found a genuinely warm welcome and a positive recognition from across the sector—from, for example, the financial services industry and advice and information agencies—of what the Government have done in this field and what they plan to do in the future. She would also have found a recognition of the policy commitment and the personal commitment shown by her and her predecessors on this issue. It is important to put that on the record.

Having made those positive comments about the steps that the Government have taken, I want to refer to two issues on which the Government need to take further action and develop their policies. As the Economic Secretary said, there has been a lot of progress on rolling out basic bank accounts, although there has been a lot of cynicism about whether those make a difference. Like many Members, I was not so much cynical, but had certain reservations about how quickly the accounts were being rolled out. However, as the Economic Secretary has pointed out, more than 60 per cent. of those being targeted now have a basic bank account, and research shows that particularly good progress has been made among those worst affected by financial exclusion. That is good, and should also be recognised.

However, I should like to raise some issues about basic bank accounts, and I will be interested in what the Economic Secretary says today or later about them. The first issue is the Post Office card account, to which reference has already been made. Clearly, there will be an important relationship between that account and the basic bank account. What will happen to the various proposals when the successor to the Post Office card account is finally determined? It would be good to know the Government's thinking on that as soon as possible.

The second issue is that concerns continue about the charging policy on some basic bank accounts, particularly when it comes to overdrafts. One of the organisations that has briefed us for this debate has drawn one example to our attention. Somebody might have just £9 in their basic bank account. If they want to draw out £10—the minimum that can be drawn from a cash machine—they would fall into an overdraft of £1 and incur substantial overdraft charges. For Members of this House, £9 or £10 is not much money, but for people on low incomes who live on a margin, such things can mean the difference between being able to manage their finances and falling into a cycle of charging that can undermine their finances for weeks, months or even a year.

More work needs to be done on the charging policies of some basic bank accounts. My final point about them is that although progress has certainly been made, that has partly been because of the pressure that the Government, the Select Committee and various other organisations have put on banks to deliver basic bank accounts. When the studies were carried out a couple of years ago, it was very noticeable that although some banks were doing their best to promote basic bank accounts, it was difficult to find out anything about others' basic bank accounts, which were clearly not being marketed as they should have been. Progress has been made, but pressure must be maintained so that the basic bank account roll-out continues and reaches those who have not yet been reached.

The second issue is that of the availability of financial services in respect of the housing market for those on low incomes. I am sure that the Economic Secretary will have seen the important report, published yesterday by Citizens Advice, entitled "Set up to Fail". It examines the difficulties faced by many on low incomes, who get into difficulty because they cannot meet their mortgage or secured loan arrears payments. The report is excellent and I am sure that the Economic Secretary will consider it if she has not done so already. I should like to highlight some of its findings, which deserve wide publicity.

Citizens Advice points out that citizens advice bureau clients seeking advice on mortgage and secured loan arrears are disproportionately from lower-income households and that, not surprisingly, they tend to borrow from sub-prime lenders at higher rates of interest. Citizens Advice reports that its clients often rely heavily on recommendations made by brokers; unfortunately, that advice is sometimes entirely unsuitable for the circumstances of those concerned. A particular concern was raised about people buying their council homes. They sometimes receive very poor advice on the suitability of the loans that they take out. The report also states that in some cases lenders do not seem to check whether the borrower can afford the mortgage repayments from the outset, and it sets out some powerful case studies that show how people have been encouraged to get into arrangements that they could clearly never meet. Nevertheless, they were encouraged, entirely inappropriately, to take out the mortgages.

The report also points out that borrowers are frequently encouraged to take out additional secured loans for purposes such as debt consolidation or home improvement; again, people do not realise that they are liable to get into extreme difficulties if they remortgage when they are already in a shaky financial position. The Citizens Advice research shows that too many lenders still take court action for possession first, rather than attempting to negotiate with the borrower. Fortunately, we are not at the heights of repossession of 15 or 16 years ago, but repossession is increasing and those on low incomes are often most seriously affected.

Finally, the report also mentions the growth of "sale and rent back" schemes. Not surprisingly, those encouraged to take out such schemes are often in financially and emotionally vulnerable positions and sell their houses for much less than they are worth. Such people often end up with a tenancy that in practice offers little security of tenure.

Mr. Weir: The hon. Gentleman has made an interesting point. There is another problem with such "sale and rent back" schemes; some people have been persuaded to go into them on the basis that they can get housing benefit to pay the subsequent rent. Of course, they cannot do so under the regulations, and as a result, people are being made homeless.

Mark Lazarowicz: That very good point illustrates the need for a proactive approach, ensuring the right regulation and information for those who enter such arrangements.

The Citizens Advice report is excellent, and I commend it to the Economic Secretary. I will not go into all its recommendations, which are set out at some length, except to say that I heartily endorse its conclusion—that it is essential, particularly in the current climate, that Government strategies of financial inclusion and capability should take into account the needs of low-income home owners. I shall be interested in hearing what the Economic Secretary says about how the Government intend to do that.

As the Economic Secretary implied in her opening comments, people on low incomes frequently lose out twice as a result of financial exclusion: first, they have low incomes, and secondly, they have to pay more for financial services because of their low incomes. They lose out doubly as a result of their poor financial positions.

We are making major moves to improve the availability of financial services to many of those people, but it is in the nature of the financial services industry that there will always be new products, new companies and new lenders who try to find new ways of extracting that extra bit of cash from people at a time when they need money, are particularly vulnerable, and do not always give full consideration to the financial circumstances into which they enter as a result of listening to persuasive salesmen and women. The Government must therefore ensure that tackling financial exclusion continues to be at the core of the strategy in this area.

I welcome this debate and hope that the Government will respond to the points that I have made about, in particular, the issues facing home owners on low incomes. I would also welcome an indication of the Government's thinking on how they intend to encourage the roll-out of basic bank accounts.

1.50 pm

Mr. Colin Breed (South-East Cornwall) (LD): I should first acknowledge that progress has been made on this issue in the past few months. A spotlight has been put on it by all sorts of organisations, not least the all-party group on debt and personal finance chaired by the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz), which has raised several important matters. Moreover, the Government have responded well in several areas. Despite the progress being made, however, we must keep the pressure on because there are so many more things still to do.

Bank accounts are an absolute necessity nowadays, but in some banks the identity requirements even for opening an account are rather restrictive and difficult to fulfil. For instance, it is not helpful to require a utility bill from someone who does not own or rent the place that they are living in. There are also restrictive criteria for free bank accounts and the charging system. Some people simply lack the confidence to go and engage with a bank in the first place; they think that they are far too poor to have a bank account and are not encouraged to do so. A basic bank account is essential to managing one's affairs, and not to have access to one is a major problem. We need to keep the pressure on so that anyone who needs or wants one can get it easily enough; otherwise they will turn to other methods, particularly to moneylenders and other such sources.

Credit unions have considerably increased in number. A great deal of work is going on, and as we know, there is to be a report. I hope that that will enable credit unions to expand their facilities and do other things such as taking deposits and giving interest, so that they can become community banks; I have been calling for that for some time. Once they can call themselves community banks they will be able to get the market profile that they need, and people will be able to go to them with much more understanding of what they can do to help. I hope that we can get to that stage, because community banks in other countries have really shown the way.

Mr. David Drew (Stroud) (Lab/Co-op): Does the hon. Gentleman agree that the best place to have access to a community bank is the post office?

Mr. Breed: The hon. Gentleman is right. Had the Post Office not sold Girobank, I suppose that that would be a supreme example of the way in which a community bank might operate. While we are on that subject, I applaud what has been said about Christmas clubs. I hope that that idea will be well promoted, and that people will use their post office as much as they can, if only to preserve it for as long as possible. Of course, we have already spoken about the Post Office card account.

Let me say a few words about ATMs. Many months ago, I opened the sixth free-to-use ATM. I am grateful for that facility, but we must not forget that ATMs are extremely helpful to the banks, which originally put them in so that they did not have to have more premises, counters and staff. That saved them huge amounts of money, and the idea that they should then charge for them was, to me, anathema. Although we are grateful that there will be free ATMs, I believe that all ATMs should be free, because the banks have used them in order to reduce their costs significantly—although they would probably argue against that.

Let me briefly raise a few other issues, the first of which is trading standards departments. Significant numbers of my constituents who are vulnerable in all sorts of ways have had matters referred to trading standards departments, but these departments are inundated with work, and do not have sufficient resources. Sometimes they can take up cases very appropriately, and if they had the resources, they could do that more often. I hope that the Government will consider how trading standards officers and departments can be more supportive of vulnerable low-income families when they are targeted by unscrupulous people.

Insurance, too, is becoming an important issue. We found out during the recent flooding the sheer number of people who do not have access to contents insurance. There are opportunities for selling such products through credit unions—which will in future, I hope, be called community banks—but there are also opportunities for involving councils. There is a good scheme in Scotland that a council has negotiated with an insurance company, whereby tenants pay a small amount extra on their rent and that goes towards their premium, giving them some basic contents cover. As for car insurance, even third-party insurance is extremely expensive for some people. There is a great deal of work to do on insurance.

The issues involved in Farepak and small savings schemes have been well aired. We need to protect alternative schemes such as that provided by post offices and those being considered by others. This is a big field in which, again, credit unions can assist. We need to encourage people to have a reasonable cushion against the kinds of things that they are going to experience.

On mortgage and secured loan arrears—the excellent Citizens Advice report has been mentioned—banks and other lenders need to treat their borrowers as fairly as they can, and I think that most of them do. Unfortunately, however, sometimes missing one payment can trigger all sorts of problems. Court action is a last resort, but it often seems to be reached rather quickly. Mortgage protection insurance has declined, partly because it got a bad press. That is terribly unfortunate, because I suspect that in the not-too-distant future many people will wish that they had it.

In the case of remortgaging, people are encouraged to take out second mortgages that add to their existing one, and eventually find themselves in an even bigger mess than they were originally. Cooling-off periods are provided for many other products, and that should be offered to anybody remortgaging, as well as independent advice before they sign up. Far too many people are being pressured into it on the doorstep, in the bank branch or in some other way, because they think that there is no other solution, whereas if they could stand back and be given advice on reorganising their finances instead of getting themselves into even deeper trouble, we might be able to help them far more.

Several hon. Members *rose*—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The Modernisation Committee has urged the Chair to use time limits to ensure that hon. Members have the maximum chance of taking part in the debate, but if hon. Members do not notify Mr. Speaker that they wish to speak in a debate, and only a few names are available when a decision is made, no time limit is put on. At least three hon. Members who are in the Chamber wishing to speak have not notified the Chair. There is no time limit, and I cannot impose one now; I would just ask hon. Members to remember that there are colleagues wishing to speak after them. If they could confine their remarks to seven minutes or so, we should be able to try to get everybody in.

1.58 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): As my hon. Friend the Minister emphasised in her opening remarks, affordable credit is one of the highest priorities of financial inclusion for families on low incomes. The effort and work that the Government have put in over the past few years to approach and tackle the whole question of financial exclusion, to a large extent because of exclusion from affordable credit, has been an important priority. That is welcomed by everybody working in this field. It is a priority that has received virtually no recognition in terms of media attention. I suspect that that is because several people working in the media do not regard as significant the fact that someone cannot take £10 out of the cashpoint to get them through the week—yet, as has been emphasised, in many instances those small amounts are the difference between sinking or swimming financially, and having access to the credit that enables that to happen makes a vital difference to people on very low incomes.

Anne Snelgrove: My hon. Friend makes a very good point. This is not a sexy subject for the world's media—our media, in particular. For example, it was two weeks before there was any coverage of Farepak. The media really missed a trick on that, and they were pretty sheepish about it. Of course, we have had many thousands of column inches and television programmes about it since, so what he said is absolutely right.

Dr. Whitehead: I thank my hon. Friend for that point, which underlines how this debate turns on what can be very small amounts of money in some people's eyes, but which mean life or death to other people. If someone has no bank account they have no credit rating, and they may well have to live in a cash economy. A surprisingly large proportion of the total population—certainly a large proportion of people with low incomes—simply have no assets to gain credit in the first place. Any upset in that person's cash economy, which would often seem insignificant to those inside the credit economy, can put them in severe difficulty.

Indeed, a National Housing Federation publication of this summer, "Credit where credit's due", highlighted, among other things, exactly what that cash economy means, despite great efforts to ensure that the unbanked have at least basic bank accounts, and the progress made on that in recent years. About 24 per cent. of housing association tenants still have no bank account. More than 3 million people, of whom at least 70 per cent. are housed by social landlords, continue to borrow at punitive rates of interest—at least 164 per cent. APR. As the hon. Member for South-East Cornwall (Mr. Breed) mentioned, 75 per cent. of housing association tenants have no home contents insurance at all.

People in such a position are far more likely to be uninsured than those in households with credit access, but they are twice as likely to be burgled. They are much more likely to be using more expensive prepayment meters, and the cost, and the potential for catastrophe, is far greater than for those inside the credit economy. They are much more likely to resort to doorstep lenders, whom we have discussed today, for credit. Those lenders are, to a considerable extent, the source of the high rates of interest that the credit-excluded pay. Most of the loans to which many people resort are essentially to repair a short-term breach, and deal with short-term financial catastrophe. The requirement for such loans will perhaps have occurred because of a very short-term crisis, so most of them are for a very short term—perhaps 25 or 26 weeks at most.

However, the 164 per cent. APR figure I mentioned is not the ceiling figure. That is the figure charged by the most reputable of doorstep lenders. In fact, roughly 177 per cent. APR is charged by Provident Financial, which is the doorstep lender with something like 60 per cent. of the doorstep lending market. Many borrowers borrow at much higher rates than that—in some instances, up to 800 per cent—and that is where the spiral of indebtedness, almost akin to the days of indentured workers, cuts in. The additional cost of servicing the debt adds to the debt itself in a wholly unmanageable way, and a spiral of debt then ensues. It is quite impossible for people in such circumstances to extricate themselves from that spiral.

Clearly, we need to put a cap on the interest rates that doorstep lenders charge. I do not think that such a cap would undermine the availability of doorstep lending—and it is true that such lending often plays a substantial and positive role for low-income families. However, a cap based on the total cost of the loan over the known period—bearing in mind that such loans are usually for short terms—including all repayments, would not put reputable companies such as Provident Financial out of business, but would certainly attack firms that charge much higher rates of interest.

I strongly applaud the action on loan sharks who charge very high rates of interest. It is proving very positive in dealing with them. Among other things, a team is coming to my city of Southampton, and I think that it will have a very substantial effect on that area of the market. I applaud the initiatives on financial inclusion, the moves to support cashpoints in low-income areas, and basic bank accounts, and the action on loan sharks throughout the country. We need to continue such initiatives, on the basis of looking positively at how organisations that can make a difference to the availability of credit to low-income families can work best. We have already heard about the strong role that credit unions can and should play in that move forward.

I welcome the £42 million from the growth fund of the Department for Work and Pensions, which has mainly been applied for loans through credit unions. Those loans are important, but it will also be important to change the way in which credit unions work, so that they are a better vehicle for saving and for loans. I have already mentioned in an intervention that credit unions are hampered in structuring savings for people on low incomes simply because they cannot give interest on the savings that people bank with them. They can give a dividend over a period, but that is not the same as interest on savings.

Perhaps in addition to credit unions being rebadged as community banks, being able to provide interest on savings could make an important difference to how they work. A loan from a credit union of £250 over 26 weeks, for example, repayable at just over £10 a week, would end up about £135 cheaper than the same loan given out by even a reputable doorstep lender. The difference that credit unions can make in such circumstances is enormous, but they must have corporate arrangements that allow them to move forward as we take further action against financial exclusion.

It is right that corporate bodies should be permitted to become members of credit unions, and they should be able to invest in them. It is right that the common bond at the heart of credit unions should be redefined on a more flexible basis. Legislation should be introduced to achieve that. I appreciate the consultation that went out in June this year, and I hope at least that a draft Bill to make such changes to credit unions will be introduced early on, and that in the next legislative cycle, legislation will be introduced to enable them to play the role that I believe they can play strongly throughout the country in assisting financial inclusion.

I would also like to commend the role that housing associations and social landlords are beginning to play to provide a framework, perhaps alongside credit unions, to ensure that secure community saving and lending can be undertaken. Housing associations and social landlords can provide that framework, perhaps not as the lender or deposit agents themselves, but by, for example, supplying the circumstances in which community banks can flourish, and by providing a framework for insuring home contents and other activities undertaken by tenants.

There is a raft of possibilities that, if taken in the context of changes to credit unions and the activity that the Government have undertaken on financial

[Dr. Whitehead]

inclusion, could begin to change the landscape enormously for those who remain outside the credit economy. I commend what the Government have done so far, but I believe that there are further steps that can be taken, and I hope that they will be considered soon.

2.9 pm

Mr. Brooks Newmark (Braintree) (Con): I congratulate the Leader of the House on choosing a subject for today's topical debate that is both topical and desperately in need of a full debate.

Although I welcome many aspects of the action plan, it underestimates one element of financial inclusion. When we use the term "financial inclusion", it is tempting to focus on those who cannot access mainstream banking and insurance products, but I would prefer a definition that placed equal weight on financial education. It is a little lazy to say that access to mainstream products is the be-all and end-all of financial inclusion. If people do not understand the products to which they have access, they cannot meaningfully be said to be "included". For me, financial inclusion is achieved only with understanding. Only when people's personal finances are flexible, comprehensible and, above all, sustainable, can they be said to be financially included. The Government's favourite fiction, especially now that times are tough, is to pretend that life began in 1997 with a new red dawn—and I do not mean the right hon. Member for Bristol, South (Dawn Primarolo). However, before that date, the Prime Minister and First Lord of the Treasury was proclaiming his prophetic vision to the country:

> "We will not build the new Jerusalem on a mountain of debt"

he said in 1996. Yet, 11 years later, a mountain of debt is precisely what we have.

I see the Economic Secretary smiling. She is well aware of my fondness for the vexed question of off-balance sheet public sector debt; at least it vexes her when I raise it with such persistence. However, in the realm of very large numbers that is evoked by the spectre of off-balance sheet liabilities, an even larger number lurks: that for unsecured consumer debt. Unsecured consumer credit is the ticking time bomb that is genuinely worthy of a topical debate. The explosion—and now the impending implosion—of unsecured consumer credit threatens some pretty serious subsidence to the economy, if not to the new Jerusalem itself.

The Government's proposals place, to my mind, more emphasis on access to services than on access to advice, but they must be complementary. The Government's first financial inclusion strategy correctly identified the three key pillars of access: to banking, affordable credit and free face-to-face financial advice. However, the provision of services or credit to those people who have no experience of them is surely tempting fate.

As the Government implement their welfare strategy of "individualised budgets" for care and payment of benefits directly to bank accounts, the most vulnerable people in our society will continue to pay the price of exclusion and of change. One example of that is well known to all hon. Members and has already been mentioned today, but I will repeat it. The loss of the Post Office card account without a viable replacement has hit many of our constituents hard and exacerbated financial exclusion.

Today is a sad day for many of my constituents in Braintree, as Post Office Ltd has confirmed the impending closure of three branches in White Notley, Rocking Church street and Panfield lane. The closures have gone ahead despite all the hard work of parish and district councillors and the residents who relied on post office services to save the branches. So we might be forgiven for thinking that, in some areas, despite the Government's plans for investment in financial inclusion, things on the ground are slipping backwards.

When I was a member of the Treasury Committee last year, it published a series of reports on the subject, which recognised that promoting financial inclusion is crucial to the fight against poverty. While social exclusion reaches far beyond financial exclusion, it is clear that the latter helps entrench the former. That is not an especially new idea, and, to give credit where it is due, the issue has been on the Government's agenda since 2004. However, the timing of the current action plan's publication in December 2007 is significant. Only now, after the credit crunch has started to bite, do the Government genuinely emphasise the importance of the issue. Suddenly, it is a "topical issue" and I hope that we are not too late. For many hard-working families who have got themselves into unsustainable levels of debt, or who have been forced to use non-mainstream sources of credit, the new year may not be a happy one.

Although I wanted to focus on three issues, I appreciate that time is short, so I shall focus on only one: the cost of credit. The Competition Commission's investigation into the cost of home credit found that customers were being overcharged by some £100 million a year. The statistics on home credit companies and doorstep lenders can be truly frightening. Annual percentage rates can range from 140 per cent. to 400 per cent. and illegal lenders can offer APRs in excess of 1,000 per cent.

I welcome the announcement that the Department for Business, Enterprise and Regulatory Reform has projects in all parts of the UK devoted to tackling illegal lending and that it will maintain them until 2011. However, I should be grateful if the Economic Secretary commented on the working of the Consumer Credit Act 2006, which introduced the unfair credit relationships test. It allows consumers to challenge the terms of credit agreements in court. I am also interested in whether the wide licensing and injunctive powers granted to the Office of Fair Trading to address bad practices by lenders under section 38 have been effective in practice. Why is the Department for Business, Enterprise and Regulatory Reform conducting a further review of consumer protection, to report in spring 2008, given that the 2006 Act is not yet fully in force?

I am pleased that the Government aim to double the capacity of third sector lending and have provided £38 million from the financial inclusion fund. However, will the Economic Secretary confirm that the £38 million is new money? When the Select Committee examined this issue, I believe that £36 million had already been committed. If so, an extra £2 million does not seem that significant.

To conclude, I want to revert to the availability of financial education, without which access to credit and savings products will founder. I welcome the commitment of £76 million for providing free face-to-face financial advice to financially excluded people. However, that targeted investment should be the cherry on the top of an integrated strategy, which puts financial literacy at the heart of schools and colleges and ensures that the iPod generation will become the ISA, not the IVA—individual voluntary arrangement—generation.

2.17 pm

Mr. David Anderson (Blaydon) (Lab): The debate is about low-income families and their access to financial services. I want to focus on the impact of companies that force people to look for financial services when they may not need to do that, and especially on a recent report by Energywatch about the impact of prepayment meters.

I have a lot of experience of dealing with low-income families. I was a trade union representative for local government workers, school meals workers, cleaners—women who made around £80 for a 20-hour week. They did not want a bank account—they had never had one—and were frightened of the impact of having one. That is borne out by a National Consumer Council report of a couple of years ago, which clearly stated:

> "Low income consumers with bank accounts have higher levels of borrowing than those without access to bank accounts."

People do not want to be sucked into a situation in which they may find it easier to access money.

Some people also distrust direct debit accounts because they read the horror stories of people being hit with bills that bear no relation to their consumption and the problems of trying to rectify that. While they try to rectify that, they get into a bigger hole.

From information that Energywatch has provided, it is clear that at least one in 11 energy consumers do not have access to a bank account. That means that they have to resort to other methods, including the use of prepayment meters. Energywatch reported last week that prepayment meters cost people £195 more for the same amount of energy than direct debit. The worst case on which Energywatch reported was that of npower, to which some people pay £304 a year—at least a third more than those paying by direct debit for exactly the same amount of energy. That is disgraceful. The average is £195.

Last week, a pensioner on a prepayment meter will have received a heating allowance of £200. They can immediately throw £195 away, because they will get only £5-worth of energy out of that £200. It is clear that there is a detrimental impact on people who have prepayment meters. They are subsidising people like me, others in this Chamber and lots of other people around the country who are on direct debit and who can switch their bank accounts and energy accounts, thereby saving even more money—at least £150 a year on average, as shown in a report published today. Lack of access to such services leaves people worse off.

People with prepayment meters are also—that ugly word—self-disconnecting. In the past, if people did not pay their electricity, gas or water bill, a guy would come along and cut them off, and there was a huge outcry. That does not happen now; people do it themselves. So they are not only in poverty but not keeping warm and not keeping fed, and therefore in danger of becoming ill.

Approaches have been made to the Energy Retail Association—the trade association of energy suppliers—which has said that it would not want an equalisation of rates between prepayment meters and direct debits. *[Interruption.]* Sorry, I am off message. I understand the Energy Retail Association's point of view, but that is clearly not fair on the people who are being made to suffer. The regulator, Ofcom, suggests that the cost to the companies of prepayment meters is £85, which means that on average they are raking in £110 from poor people, for what we do not know. Surely that cannot be fair.

To illustrate how big the issue really is, Energywatch estimates that at least £300 million a year is spent by prepayment customers for which they do not get power, and that the figure could be as much as £500 million. Last year alone, more than 366,000 prepayment meters were installed in houses for people who were in debt. They did not want prepayment meters, but they were told that the only way they could continue to access energy was by having a prepayment meter. Again, that impacts on their ability to make ends meet and it is another reason why they will suffer from financial exclusion.

It is clear that we need to do something other than just talk about the issue. What could be done? Companies could show some real corporate social responsibility and say that it is unfair that the poor are subsidising the rich. Instead of the consumer taking the hammerblow, they could let the shareholder pick up some of the £300 million or £500 million. They could also do what used to be done when they were nationalised—they could spread the cost of the service charge equally across every consumer, so that the one in 11 who have a prepayment meter no longer subsidise the other 10 and share the cost. If that does not work or if the companies do not agree, perhaps we in the House need to sit down and legislate, and make it so that people who are in poverty no longer subsidise people who do not need it.

That is not the only situation where such issues arise. On behalf of one of my constituents I have previously raised in the House the situation whereby British Telecom charges people who will not go on to direct debit. As a result of that complaint, Ofcom has instituted a review of telephone charges, which has shown that some companies do not charge anything for non-direct debit payments, whereas others charge as much as £25 a quarter. That is absolutely disgraceful. Again, people who do not have access to bank accounts are being made to subsidise people who are well-off.

Last week in business questions I raised the issue of Energywatch. The Leader of the House said that she thought that it was a good subject on which to have a topical debate. The hon. Member for Blaby (Mr. Robathan) said that he did not agree, but I am glad that the hon. Member for Braintree (Mr. Newmark) agrees that it is a good topic to debate. The truth is that when we in the House do not think that it is topical to talk about alleviating poverty, we should all give up and go home.

2.24 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to participate in this important topical debate. The priority of any Government is the stewardship of the economy. A test of the social responsibility of any Government is how they support the most vulnerable, the socially isolated and the excluded.

[Mr. Tobias Ellwood]

It is worth paying tribute to some of the initiatives that the Government have introduced since they came to power in 1997. They started off with the social exclusion unit, which was a drive to increase the use of bank accounts. As we heard from the Economic Secretary, there was also the Government's child poverty review in 2004, which was followed by the Treasury's strategy paper, "Promoting financial inclusion". In 2006, the Treasury Committee published three reports, which my hon. Friend the Member for Braintree (Mr. Newmark) covered in some detail. There was also the 2007 paper, "Financial inclusion", in which the Economic Secretary spelled out where money would go from 2008 to 2011. I make particular reference to the £76 million allocated for face-to-face advice for people on low incomes, which is so important in allowing people to understand what they should do with their money and what decisions they should make for the future. The question is whether that is enough. Could more be done? The fact that 35 per cent. of those receiving income support are also financially excluded shows that a lot more can indeed be done.

One thing that will link all right hon. and hon. Members present is the fact that every time we hold a surgery we are confronted by horrendous cases of financial destitution and other financial problems in which we are asked to get involved. One big example, I am afraid, is the tax credits system. In her short winding-up speech, perhaps the Economic Secretary can comment on what is being done about those who are hugely overpaid or hugely underpaid in every constituency throughout the country, which does not help the financial management of those vulnerable people.

One recent change that we face is due to IT. There has been a drive to save money through the use of computers and the increased push towards bank accounts. Unfortunately, one could argue that the pace of change has been too fast for a generation that has not harnessed IT in the same way that the younger generation in particular has. There is too much reliance on bank accounts, in the sense that people are no longer considered as humans but as numbers. Unless there is a support mechanism to look after those who do not have access to IT or who cannot understand it, one chunk of society will always be left out.

That is reflected in the fact that financial services are now treated as a mass market. People have become lost and are no longer treated as individuals, but as numbers. Access is therefore far from equal. Around 1.5 million households in Britain lack any financial service products at all. A further 4.4 million households are on the margins of financial services, usually with nothing more than a bank account; and yet the financial advice that one receives when signing up for a bank account is very limited indeed. One has to pay for that extra advice if one wants any more detail about how to use one's money wisely.

Some 60 per cent. of low-income families have no savings whatever. People who have no savings will therefore receive no advice; nor will they have any inclination to look at products such as home contents insurance, pensions or anything else. That is the area that the Government need to spend more time considering. My hon. Friend the Member for Fareham (Mr. Hoban) talked about the global credit squeeze, which affects all of us, particularly the vulnerable and those who want to start making mortgage payments.

One could argue that financial inclusion means a lack of access to a range of financial services. Financially excluded people typically exhibit such characteristics as not even having a bank account or relying on forms of credit from lenders, pawn brokers and loan sharks, as we have heard. That takes people down the wrong route entirely. The consequence is that they pay more to manage their money than those of us who can afford to have a bank account and access such facilities. People without bank accounts also find it tougher to plan for the future and are even more likely to get further into debt because of that.

We have heard some examples of that. I pay tribute to the hon. Member for Blaydon (Mr. Anderson), who talked about prepayment meters, which is a great example of how those on lower incomes pay more. Those who have to pay by a written cheque, for example, have to pay more than those who pay by credit or debit card. Those without bank accounts who want to have a mobile phone contract end up paying more as well. The very people who have less money end up paying more. That results in a vicious cycle, and they end up getting further and further into debt.

We need to focus on education in this regard, and I would like to know what emphasis schools are placing on encouraging people to get a bank account and on providing them with an understanding of financial services and money management, so that they do not get into debt in the first place. People need to be aware of what they can do with even a limited amount of money. They need to put in place good habits for the future. If that does not happen, they will end up with increasing financial difficulties, and they will pay far more for any advice that they need. Among the social consequences are unemployment, relationship breakdown and health problems. Early intervention is therefore crucial.

Progress has certainly been made, but much more needs to be done. In particular, access to advice needs to be expanded, and not only in schools. More investment is also needed, beyond the £76 million that the Economic Secretary mentioned. We need to see an improvement in the savings culture, and we must encourage better discipline in lending. We should toughen our stance on those who exploit the vulnerable by trying to get money out of people who have no money to give in the first place. Tackling personal debt and financial exclusion is an issue of social responsibility. It is the responsibility not only of the third sector and business, and of the individual, but, most importantly, of the Government.

2.31 pm

Anne Snelgrove (South Swindon) (Lab): I welcome this topical debate. I am going to speak of my experience of the collapsed hamper and voucher company, Farepak, which brought me into contact with families on low incomes who regarded themselves as savers. Farepak was not, in fact, an officially recognised savings scheme; it was a prepayment scheme. That is where the trouble stemmed from, because the company was not covered by the strict financial regulations relating to financial services and savings schemes.

The savers in such families are mainly women who save for specific, short-term goals such as holidays, events such as Christmas, large items of furniture or white goods. Very few savings schemes within the financial services remit cover such goals and items. The schemes that are available are not as attractive to low-income savers as some of the schemes outside the regulatory framework. I hope that the Minister will address that point in her response, and in her work on these matters in future.

Those savers are suspicious of credit cards and bank accounts, because of the charges that have been mentioned and because of the temptation to get into debt. They are a difficult group to reach, mainly because they are a quiet group that did not come to the fore until Farepak collapsed. Their wariness of middle-class financial services has been underpinned this year by the collapse of Northern Rock and by their disillusionment with the Government. Present and past Governments have been unable and unwilling to tackle the problems of low-income savers, or the fact that they suffer when schemes such as Farepak collapse.

Prepayment schemes of that type have been examined by the former Department for Trade and Industry and the present Department for Business, Enterprise and Regulatory Reform over a period of 20 years, and the conclusion is that they are too tricky to regulate. The hon. Member for Fareham (Mr. Hoban) said that he would be reluctant to consider regulation. It is difficult to regulate prepayment schemes because they cover a range of concerns, including small businesses asking for a deposit for furniture making, for example. Such enterprises could be put out of business very easily by clumsy regulation.

In dealing with these low-income families over the past year, however, I have come to the conclusion that they will not have confidence in financial services unless we do something about prepayment schemes. They are the most attractive schemes to them, and they are going to continue to use them, and it is up to Parliament to legislate to ensure that those people can save safely in future.

I note with pleasure that the statement made on 10 December by the Department for Business, Enterprise and Regulatory Reform leaves the door open to reassessing the regulatory framework once the outcome of the investigation has been made available and the advice of other agencies has been taken into account. I hope that that will lead to some kind of regulation. It will be tricky to achieve, but we must do it. I thank the Prime Minister for meeting the Farepak MPs earlier this month, and I particularly want to give credit to my hon. Friend the Member for North Ayrshire and Arran (Ms Clark) for the distinguished work that she has done on this issue. The Prime Minister promised us that he would look again at the question of regulation, and I hope that he does so. I also hope that Members on both sides of the House will support this move.

2.36 pm

Kitty Ussher: I am aware that time is short. I am grateful to hon. Members on both sides of the House for their contributions. I shall be unable to respond to all of them, owing to the lack of time, but I can give the House an assurance that all the points that have been raised will certainly be properly considered.

I welcome the conversion of the hon. Member for Fareham (Mr. Hoban) to the credit union cause. It is a pity that he was not clear whether they paid interest or dividends. At this time, they pay only dividends, but we shall be looking at that issue. It has been raised in the context of the co-op and credit union consultation. He explained very fairly the costs that are incurred by legitimate doorstep lenders. What he described might well be the case, but I remain of the view that it is far better to give low-income consumers access to affordable credit so that they do not have to rely on high-interest credit providers, even if these are operating within the law according to commercial business practice.

The hon. Gentleman asked about the number of people involved in tackling loan sharks. I do not have a precise figure, but I shall be happy to provide it when it becomes available. The important thing is that we are rolling out teams in every region to address the issue, and we shall have periodic reviews of their effectiveness.

I thank my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) for his kind remarks. I congratulate him, and other hon. Members, on the work of his all-party parliamentary group. I completely accept the need to keep up the pressure on basic bank accounts. We are making progress in that regard, and we will continue to do so. In my role as Economic Secretary, I meet representatives of the retail banks regularly, and I continue to make those points.

I do not have time to respond to all the points raised by yesterday's report from Citizens Advice, but I want to pay tribute to it for the work that it has done. We shall look at the report in detail—

It being one and a half hours after the commencement of proceedings, the motion lapsed, without Question put, pursuant to Temporary Standing Order (Topical Debates).

Orders of the Day

Crossrail Bill

As amended in the Public Bill Committee, considered.

New Clause 1

FINANCIAL PROVISIONS (DISCLOSURE OF INFORMATION)

'(1) The Secretary of State shall publish all relevant details as to the monies used to fund the construction and maintenance of Crossrail, beyond those monies as already provided by Parliament and set out in section 65(1).

(2) The Mayor of London shall, not less than 12 months after the granting of Royal Assent to this Act, publish and make available to all who are eligible and registered to vote in the London Mayoral or Greater London Authority elections, a statement indicating—

(a) the agreement he has undertaken and agreed with the Secretary of State for the proposals of building Crossrail, and

(b) the potential financial consequences of this agreement for London.

(3) The Secretary of State, after consultation with the Mayor of London and the Transport Commissioner for London, shall publish an annual statement setting out which bodies shall bear responsibility and liability for any costs associated with the building of Crossrail separately indicating the—

(a) costs to date, and

(b) projected costs to date.

(4) The Secretary of State shall publish an annual statement setting out all relevant details relating to—

(a) the proceeds of any land and property disposed of to date, and

(b) the use to which the disposal proceeds of any land and property have been applied to date.'.—*[Stephen Hammond.]*

Brought up, and read the First time.

2.38 pm

Stephen Hammond (Wimbledon) (Con): I beg to move, That the clause be read a Second time.

The Bill was given considerable scrutiny in Committee and there were some consistent themes to it. The Government consistently referred to the Channel Tunnel Rail Link (Supplementary Provisions) Bill as the template, exemplar and the precedent for the Crossrail Bill and for many of its powers. The Minister told us frequently that the exceptional powers granted to the Government and the Secretary of State in this Bill were in many cases identical to those contained in that Bill.

We accept that many of the exceptional powers are necessary, but we also believe that many of them require and will continue to require scrutiny. We tabled a number of amendments designed to define those powers, to ensure accountability in respect of them and to ensure proper consultation on their use. They were heard many times in Committee already, but I suspect that we will hear the words "relevant and appropriate bodies" many times again this afternoon. We also sought to ensure that compensation was available and payable to those prejudiced by the extraordinary powers being granted in the Bill, particularly with regard to compulsory purchase orders, to which I will return later.

Mrs. Theresa May (Maidenhead) (Con): I am very grateful to my hon. Friend for giving way at such an early stage in his speech. He has mentioned the exceptional powers granted in the Bill. Will he confirm my understanding that an extension of Crossrail further west to Reading—so that it did not stop at Maidenhead—would be possible without having to go through the same processes provided for in the Bill, because it could be done under the Transport and Works Act 1992 provisions? Does my hon. Friend share that understanding, and is he confident that the Government are right to say that that would be possible?

Mr. Hammond: The short answer is that that is my understanding of the Government's position, but I am not at all confident that it would not be subject to legal tests. Indeed, the possibility of providing legal advice has already been mentioned, which suggests that that may not be the case. It could be that any extension to the route would require that portion of it to go back into hybrid Bill mode so that petitioners in that area would be afforded exactly the same rights as those who were heard by a Select Committee in respect of the original route. I have to tell my right hon. Friend that it is far from clear that it will be possible to extend the route simply under the Transport and Works Act 1992, as it is likely to be subject to a great deal of legal scrutiny. I am grateful to my right hon. Friend for raising that issue; the Minister may wish to respond to it later.

In Committee, we tabled some 75 amendments in order to ensure proper scrutiny. The Minister asked me to withdraw five on the basis that he wanted to reconsider the Government's position. He is bringing back one of them this afternoon in the form of Government amendment No. 1, which we will certainly support. If he had been slightly more far-sighted and tabled other Government amendments in the same way, we could have supported them, too.

Let me deal with new clause 1, which has been tabled very much in the spirit of what we said in Committee—that at this stage we would revisit only matters that were particularly important to us. Clause 66 provides that

> "any expenditure incurred by the Secretary of State in consequence of this Act"

and

> "any increase attributable to this Act"

to sums already provided for by previous enactments should be provided for by Parliament. That is all very straightforward and correct. As the Minister has said previously, the Government are subject to commercial confidentiality, but are keen to be transparent in providing details of the Crossrail funding package where they can. In that spirit, I want to thank the Minister for the package and some of the briefings he gave to the Committee. That generosity was appreciated.

However—there is always a "however"—although the Bill explains the moneys provided by Parliament, there are also other moneys provided by other bodies. Also, the Bill does not provide for an ongoing update to be delivered to Parliament on the subject of funding and costing. That is exactly what my new clause proposes to add to the Bill. Although I appreciate and accept the Minister's generosity of spirit in his disclosures so far, we as the Opposition—and who knows who may be in opposition when the Bill comes into force—need to ensure adequate and appropriate protection and scrutiny of the fundings and costings on which the Bill is built.

My new clause thus makes four provisions. First, it provides that the Secretary of State must make details of the funding arrangements available to Parliament. Secondly, the Mayor of London, whoever that may be, will commit Londoners to high extra expenditure and potential liability, so the new clause makes the Mayor provide Londoners with a statement of the financial consequences of his funding decisions. Thirdly, it provides that the Secretary of State shall, after consultation, provide an annual statement of costs and liability. Finally, it provides that the Secretary of State shall provide an annual statement of the destination of funds raised as a result of the sale of surplus land and property.

2:45 pm

There is clearly a justification for all that, and it is very simple. It follows a line of reasoning that has been consistent in all our amendments. It will allow the various elements of the funding package to be scrutinised continually throughout the Bill's stages; it will allow the scrutiny to begin before the start and at the conclusion of that process; it will allow Members to give appropriate consideration to the risk to the package; it will allow scrutiny of the financial probity of the providers; and it will allow the House to assess the likelihood of financial projections being met.

Throughout the Bill's stages we have said that we support the principle, subject to our ability to scrutinise the funding. We continue to support Crossrail in principle. There is a funding package in place, but we need to see its design, its extent and its underwriters.

Mike Gapes (Ilford, South) (Lab/Co-op): The hon. Gentleman referred to the Mayor of London making information

> "available to all who are eligible and registered to vote in the London Mayoral or Greater London Authority elections".

Why should the information not also be made available to all residents of the United Kingdom and to the House of Commons? I do not understand why the new clause is so narrow, given that it concerns a project of national importance. I speak as a London Member of Parliament, but surely, in view of the importance of Crossrail to the whole country, all the information that the hon. Gentleman is requesting should be made available to all members of the public.

Stephen Hammond: Let me refer the hon. Gentleman to the new clause as a whole. If it is enacted, the House will be able to scrutinise the entire funding package.

Subsection 2 relates to the fact that all councils currently provide statements of what they spend, and the Mayor of London tells people what the precept is. As London taxpayers and ratepayers, we are likely—and the constituents of London Members of Parliament such as me are likely—to bear the brunt of any cost overrun. I therefore think it only appropriate for the Mayor to be as transparent as possible with Londoners.

The other issues raised by the hon. Gentleman are already tackled by the new clause. If he wishes to persuade his hon. Friend the Minister that he should write a letter to every resident of the United Kingdom every year about the cost of Crossrail, that is his prerogative. What concerns me is that the House should be able to scrutinise the costings and funding, and that is what the new clause enables it to do.

Mr. Lee Scott (Ilford, North) (Con): A few years ago the Mayor—the current incumbent, Ken Livingstone—said that the excess would be paid by the London business rate payer. Does the new clause not cover that as well, by providing for businesses to see what is expected of them?

Stephen Hammond: That is a good point. It is apparent from the details of the funding package generously provided by the Minister that there is a supplementary business rate to be charged. What is not clear as yet is whether, in the event of a cost overrun—which we hope will not happen—there will be an additional cost for the London business rate payer.

Subsection (2) requires councils to do exactly what they already have to do, which is to provide an annual statement of how they spend and deliver services and how those services are paid for. It makes no greater requirement of the Mayor than that, now and in the future. Because he has committed Londoners to liability as co-sponsors, it requires him to exercise transparency for London taxpayers in regard to how he is spending their money. Frankly, it would be difficult for Members to argue against this, given that the Mayor has already written to the Secretary of State, so clearly the Mayor will have set out in that correspondence how he proposes to meet his current liabilities. If he is prepared to write to the Secretary of State to set out how he proposes to meet his funding liabilities, presumably he is equally happy to tell all Londoners how he intends to meet them.

Subsection (3) of the new clause provides for an annual update. As we embark on the building and maintenance of Crossrail, we do not need just a snapshot; we need dynamics. We need to be able to see that if there are any problems in terms of cost overspend—or, indeed, underspend—or of delay, Parliament should be advised. The new clause provides for exactly what the hon. Member for Ilford, South (Mike Gapes) wanted.

Subsection (4) deals with the disposal proceeds of excess land and property. It is clear that the Secretary of State will, through the build process of Crossrail, compulsorily purchase a large amount of land that is not then needed for the operation of Crossrail, and it is necessary for the Secretary of State to be under an obligation in that respect. I am confident that, as a result of some clauses in the Bill, the Secretary of State will be forced to dispose of that land as soon as it becomes surplus to the needs of Crossrail. I am not, however, comforted about where those proceeds will go, and the subsection addresses that. If a cost is incurred in buying land that is necessary for the construction but not for the operation of Crossrail, when that land is sold those proceeds should be used to offset the total costs of the Crossrail project, or to pay

[Stephen Hammond]

compensation to people who are prejudiced by the Crossrail project during the enactment of compulsory purchase orders.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): My hon. Friend makes an important point. In Committee—most of the members of the Committee are present—there were occasions when allotment holders, many in the constituency of my right hon. Friend the Member for Maidenhead (Mrs. May) and others, were going to be prejudiced because of Crossrail, and we could not write in enough provision. Does my hon. Friend feel he has gone far enough in ensuring the redistribution of that money, as there will be a lot left over? We came across locations at North Pole and other places where a lot of money was going to be made available. Does my hon. Friend think he has gone far enough in making sure that the money is redistributed?

Stephen Hammond: I am keen to ensure that monies raised on the disposal of the surplus should be put back against the cost of the Crossrail project and provided to those who require compensation as a result of compulsory purchase orders, and I was content for that to be put in the Bill. The new clause does that, but if my hon. Friend thinks that we should have gone further, I am happy to accept that we should have done so. I hope he is reassured, however, that what I am trying to do with new clause 1 will at least satisfy what he would like to see done.

Mrs. May: I am grateful to my hon. Friend for his generosity in giving way. I take it from what he has just said that he would also expect this new clause to cover, for example, any repayment to the local council in Windsor and Maidenhead for any infrastructure works that might be necessary as a result of Crossrail stopping at Maidenhead, if it does stop there—as he might know, I actually believe that it should go on to Reading. However, if it does stop at Maidenhead, as it would under the Bill, works would be required at Maidenhead station, and it might be necessary for the council to take some action on access roads, for example, which would, of course, be a cost for the council tax payer.

Stephen Hammond: My right hon. Friend yet again makes the point—which I am sure many Members are now assured of—that she would prefer the Crossrail project to go to Reading. If the local council were to incur such costs, and they were clearly seen to be costs of providing the Crossrail project, the intention of the new clause is that her local council or authority would be able to seek redress.

This new clause is a sensible housekeeping measure, but it is more than that: it is a measure that provides the transparency and accountability that this House needs for a project of this immense national importance. I commend it to the House.

Susan Kramer (Richmond Park) (LD): First, I reiterate my support for the Crossrail project, and I echo our appreciation of the Minister's generosity in sharing significant information on its funding. He will be aware that the Department for Transport's history on the procurement of major infrastructure is somewhat chequered, to put it generously. Consequently, there is a particular responsibility on this House to scrutinise the funding and the uses of those funds.

My colleagues in Committee and I took the opportunity to table an amendment that would have had a stronger effect than the new clause. At the end of the negotiation process for the undertaker of this project, it would have required a detailed sources of funds statement and details of the uses of those funds to be provided. It would have then given this House the opportunity to examine the numbers, to make the decision as to whether they were consistent with the history of the project and with the will of the House and, if necessary, to have acted as a brake on the project at that point in time.

The new clause does not go that far, but at least it adds to the general transparency and provides the opportunity at least to complain, even if it does not give the opportunity to act. For that reason, although I would have drafted some parts of the provision differently, I think that this would be a useful set of opportunities to include in the Bill.

Mr. Brian Binley (Northampton, South) (Con): I stand to make an appeal to the Minister. I am hopeful that my appeal will receive some response—I am sure that it will because he is a kindly old chap. There is an obvious need for transparency in the costings of any Government project. A Government project that will take so much focus and resource, and a sizeable amount of taxpayers' money, needs to be as transparent at every level as we can possibly make it.

Crossrail is often seen as a London matter, but of course it is not only so—as has been suggested, it impacts on every taxpayer in the land. As London will get a lot of attention with regard to sizeable infrastructure projects over the coming years, some of those taxpayers feel that perhaps they will suffer as a result of the amount of infrastructure work that will be carried out in London.

Mike Gapes: Is it not also the case that Crossrail will provide benefits of £36 billion to the UK economy as a whole?

Mr. Binley: I am grateful for that intervention because it gives me the opportunity to make the point that if one examines the costings in any depth, one has no faith in any economic return projected so far. I want to return to that matter on Third Reading, because it is still open to individual judgment and the facts are not at all clear.

Kelvin Hopkins (Luton, North) (Lab): Like the hon. Gentleman, who served with me on the Select Committee on the Crossrail Bill, I am concerned about costs. Does he agree that if the project were financed entirely in the public sector, from public borrowing, it would be much cheaper?

Mr. Binley: My colleague in considering the hybrid Bill attempts to lead me into an alley that I do not wish to enter, but I might well return to it if I am allowed to comment on Third Reading.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Is it not the case that road construction projects on contract had typical cost overruns in the region of 60 per cent. whereas when private finance initiative schemes were involved the underruns were in the region of 15 per cent.? That is surely a good argument for involving the private sector, rather than having the whole thing done on the public purse.

Mr. Deputy Speaker (Sir Michael Lord): Order. Before the hon. Gentleman responds, I urge him to stick to his original vow and keep on the straight and narrow of the new clause before us.

3 pm

Mr. Binley: I was about to say that PFI for other matters was outside the remit of this debate, Mr. Deputy Speaker.

This is seen to be a London matter, but there is concern outside London about the amount of money that London will receive for infrastructure over the next 15 or 20 years. Therefore it is even more important that taxpayers throughout the country who will contribute to the scheme can be assured that it will be run properly, costs will be kept under control and the whole scheme will be well controlled by the Government, who will have an overseeing eye. The Government's record on large infrastructure projects is not good, so we need to be sure that this case is different. I appeal to the Minister. He represents a constituency outside London, so I am sure that he will understand that point fully and, I hope, respond to it positively.

Mrs. May: It is a pleasure to follow my hon. Friend the Member for Northampton, South (Mr. Binley), who need have no fear because he is always appealing.

I support the new clause for one specific reason. As other hon. Members have said, much has been made of the fact that funds for the project will be raised from Londoners through council tax and business rates—as my hon. Friend the Member for Ilford, North (Mr. Scott) said earlier. My constituency will be the western terminus of Crossrail and Maidenhead chamber of commerce has raised the concern that at some stage Maidenhead businesses might be asked to contribute to costs in the area. However, in London, businesses will contribute on the basis that they will receive a benefit from Crossrail. It is possible, depending on other services, that Crossrail could produce a worse train service for Maidenhead and would therefore be a disbenefit.

The Minister will be well aware of the concerns that I have raised about services, and I hope to say more about those later. However, it is important that we recognise concerns about the implications of funding for Crossrail and whether the House will be informed and have the opportunity to scrutinise and debate those issues. It is for that reason that I wholeheartedly support new clause 1.

Mr. Liddell-Grainger: One of the concerns during the passage of the Bill was the changes to do with stations, mainly in Woolwich. We never quite got to the bottom of the costings, although we tried to write into the Bill a provision that the costings had to be shown to Parliament, the London Assembly, the outer boroughs and the royal boroughs. One reason that we did not get to the bottom of the costings was that we got the okay for Woolwich at a time when we were trying to get things sorted out as quickly as possible so as to get the Bill to this stage, and there are still some grey areas.

New clause 1 would mean that some of the bits that we could not fulfil will now have the money put in. I would like to think that the Minister will push Crossrail to fill bits in, especially at Woolwich, and with the external stations at both ends and the Heathrow link. We had problems with what that would cost. If I remember rightly, that is not the responsibility of the London Mayor, although I stand to be corrected. If that is the case, I hope the new clause will help us to incorporate, as strongly as possible, the external parts.

We also found it hard to understand the situation with EWS or East West South cross freight—

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): English, Welsh and Scottish.

Mr. Liddell-Grainger: The Minister puts me in my place. That was a slip—I should have known that after spending weeks talking about it.

I would describe EWS as barrow boys, in the nicest possible way, and it became quite obvious when many Committee members visited its operations—I could not go—that attempts were being made to pull the wool over our eyes. That is a glaring example of a case where the funding was not understood. We could not get to the bottom of what it was trying to do, or of what it wanted. The new clause, if it is accepted, will push such organisations into a position where they have to say precisely what their contribution to the costs will be. We never got to the bottom of the compulsory purchase, either.

Mr. Tom Harris: Three quarters of the new clause were debated in the Public Bill Committee. Subsection (4) is new but addresses an issue that was also considered in Committee. The hon. Member for Wimbledon (Stephen Hammond) may be disappointed to hear that I will largely repeat the arguments that I made then.

I should stress that there is a great deal of common ground between us. I agree with the general direction of the points made by the Opposition. The new clause addresses the importance of transparency and the need to provide information to the public about Crossrail. During the Public Bill Committee, my right hon. Friend the Secretary of State published a very slightly redacted version of the heads of terms that have been agreed with Transport for London, our co-sponsors. Copies were placed in the House Library. That document covers all the key points of the deal that will see Crossrail delivered, and I believe that colleagues found it helpful.

We are now working with TFL to turn those heads of terms into binding arrangements. Our presumption is that the documents will be made public. As with the heads of terms, we may have to withhold some information to protect commercial interests. The Government understand the appetite for information about Crossrail and intend to make public whatever we can, subject only to the requirements of commercial

[Mr. Tom Harris]

confidentiality in relation either to third parties or the public sector's negotiating position. The published heads of terms explicitly state that Cross London Rail Links Ltd. the company that will deliver the project, will be required to publish information in order to ensure a high level of transparency on the progress and cost of Crossrail.

Let me turn briefly to the specifics of the new clause. By publishing the heads of terms, the Government have, in practice, already published the information that proposed new subsection (1) would require. I have made it clear that we intend to make public the relevant detailed agreements that will implement the heads of terms, and I believe that that would deal with a large part of what proposed new subsection (2) would achieve. The financial consequences of Crossrail for London mentioned in proposed new subsection (2)(b) are a matter for the Mayor. I know that he will want to be clear with Londoners about the matter, and he is in any case subject to the scrutiny of the London assembly.

Proposed new subsection (3) refers to the desire for ongoing information about progress during construction. I have already referred to explicit statements in the heads of terms about the provision of exactly that sort of information. Proposed new subsection (4) would require an annual statement about property disposed of and the use to which the proceeds are put. Clearly, that will not happen until the project is well advanced and, for example, construction sites are no longer required. In case there is any suggestion that, when land acquired for Crossrail is disposed of, it will somehow provide windfall gains for the Government or the Mayor, the financial schedule in the heads of terms makes it clear that the proceeds of property disposal are already included as a core part of the funding package for Crossrail. That is the exact point made by the hon. Member for Wimbledon. In other words, the proceeds from such disposals will go towards the net costs of Crossrail. The policy of transparency that I have described to the House should mean that a statutory requirement for information on how that happens is unnecessary.

I hope that I have made it clear that the Government and the Mayor both recognise the importance of keeping the public well informed about the way Crossrail is taken forward. We have already taken steps to do that and will continue to do so.

The hon. Member for Wimbledon referred to my constant referrals in the Public Bill Committee to the precedent that was set by the Channel Tunnel Rail Link Bill. That Bill set no precedent for a clause that demands the publication of such details. Our political environment today, with its need for transparency and all sorts of financial and other arrangements, is many times better than that under what I believe historians now refer to as a Conservative Government.

Stephen Hammond: Yes, historians may make that reference, but it is probable that much of the Bill will be implemented under a future Conservative Government.

The Minister mentioned the Government's intentions several times. If he is so keen on transparency, he should have no problem with accepting the new clause, as it would allow those intentions to be made real and enable this House to scrutinise them.

I listened to the Minister carefully, but I am not convinced by his response. Therefore, I should like to test the will of the House on the new clause.

Question put, That the clause be read a Second time:—

The House divided: Ayes 133, Noes 236.

Division No. 31] **[3.10 pm**

AYES

Afriyie, Adam
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baron, Mr. John
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Browning, Angela
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Djanogly, Mr. Jonathan
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Featherstone, Lynne
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Maples, Mr. John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Moss, Mr. Malcolm
Murrison, Dr. Andrew
O'Brien, Mr. Stephen
Osborne, Mr. George
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Robathan, Mr. Andrew
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Taylor, Mr. Ian
Tredinnick, David
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Walker, Mr. Charles

Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Williams, Mark
Williams, Mr. Roger
Willott, Jenny
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. Brooks Newmark and
Mr. Richard Benyon

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byrne, Mr. Liam
Cairns, David
Cawsey, Mr. Ian
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davies, Mr. Quentin
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael
(Worcester)
Foster, Michael Jabez
(Hastings and Rye)
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howells, Dr. Kim
Humble, Mrs. Joan
Hutton, rh Mr. John
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Linton, Martin
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Mullin, Mr. Chris
Murphy, Mr. Jim
Naysmith, Dr. Doug
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Paisley, rh Rev. Ian
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C.
(Sheffield, Hillsborough)
Smith, Angela E. *(Basildon)*
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, David
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Mr. Neil
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Winnick, Mr. David
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Steve McCabe and
Mr. Alan Campbell

Question accordingly negatived.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): On a point of order, Mr. Deputy Speaker. I would be grateful if you could let me know whether there is any way in which the House can register its collective shame that a Government elected on a clear promise to grant the people a referendum on the European treaty are currently signing that treaty, albeit in a skulking, hole-

[Mr. Peter Lilley]

in-the-corner fashion, in Brussels. Is there any way in which the House can register the fact that we disapprove totally of what is happening?

Mr. Deputy Speaker: That is not a matter for the Chair at this juncture, but I am sure that the right hon. Gentleman will have ample time to make his view known as time goes by.

Mr. John Redwood (Wokingham) (Con): On a point of order, Mr. Deputy Speaker. Have you been notified of the Government's wish today to hold a vote in the House on whether we should sign the treaty? We were told that we are not getting a referendum because the House will decide. The House will not be able to decide after the nation's word has been given; it should decide now.

Mr. Deputy Speaker: These are not matters that the Chair can deal with this afternoon. As I have already said, I am sure that they will be matters for debate in the days ahead.

Clause 7

ACQUISITION OF LAND NOT SUBJECT TO THE POWER UNDER SECTION 6(1)

Stephen Hammond: I beg to move amendment No. 2, in page 5, line 6, at end insert—

'( ) An easement or other right over land acquired under subsection (5) shall expire no later than the day on which the railway mentioned in section 1(1)(a) is first used by Crossrail passenger services'.

Mr. Deputy Speaker: With this it will be convenient to discuss amendment No. 3, in page 7, line 7, clause 10, at end insert

'and

(c) the development falls within the limits of deviation for the scheduled works.'.

Stephen Hammond: Mr. Deputy Speaker, I am sure that many of my hon. Friends felt that you had a way of being able to see that their points of order were taken up, rather than our having to discuss the clauses and amendments before us. Nevertheless, the two amendments are important. The first part of the Bill deals with the scheduled works required to bring Crossrail into being. The second part concerns the land on which the works will be built, and the powers that the Secretary of State requires to take temporary, or even permanent, ownership of such land, or to modify the rights of way over it. The third part deals with the planning issues that might arise as a result of those scheduled works.

All of those measures are vital to the successful construction of Crossrail, and we discussed them at length in Committee, where I tabled a number of amendments which I believe would have enriched the Bill. I was disappointed that the Minister did not agree with me. I should like to revisit two issues using a slightly different approach to that which we took in Committee. First, amendment No. 2 relates to easements over land. We tabled a probing amendment in Committee, but the questions that we posed remain unanswered. Will the Minister give the House a reassurance about the power to acquire easements or other rights, as set out in clause 7? Does the Secretary of State or nominated undertaker require the power to access sites? The easement that is required will concern merely a small strip of land; would not the acquisition of an easement or a right be less costly, and easier to arrange? Does the Minister envisage that many such easements will be required, and does he expect that they will be required temporarily or permanently? Those questions have not been answered, and they are important.

I accept that easements over land will be required in certain circumstances, and I certainly accept that in some circumstances an easement might be more desirable than an outright compulsory purchase. However, the issue that my amendment addresses is the length of time for which such an easement will be required. There are two ways in which a Secretary of State can gain access to land that is needed to build Crossrail; they can take possession of it by means of compulsory purchase, or they can acquire an easement over the land, which will give them a limited right to make use of the land as a right of way.

On the first option—compulsory purchase—the Minister has given clear reassurances about the time limits involved. The land will be used for the construction and operation of Crossrail; if it is required only for the building of Crossrail, the surplus land would be disposed of, as we have discussed. The land disposal policy measures say that any land acquired for the purposes of Crossrail that is no longer required should be sold. That is all very clear. What remains unclear is the situation as regards the second option available to the Secretary of State, namely the acquisition of an easement. As I say, an easement is likely to concern a small strip of land, on the basis that it will be needed for access to land that is required to build the project. The land disposal policy does not appear to give any indication of the Government's intent on terminating easements once they are no longer required.

Sir Peter Soulsby (Leicester, South) (Lab): I have looked closely at the amendment. The hon. Gentleman talks about the easements expiring no later than the day on which the first passenger train runs. Does he not accept that it is highly unlikely that every aspect of work on every stretch of the Crossrail scheme will be completed on that day? It is likely that the easements will need to continue after that first train runs, just to allow the initial construction to be completed.

Stephen Hammond: That is a possibility, but as the hon. Gentleman knows from his membership of both the Select Committee and the Public Bill Committee, we have discussed several times the subject of an appropriate ending day for various purposes. Sometimes the Minister tells us that for certain purposes it is the operation of the first passenger service. At other times it is the end of the interim period. It is difficult to draw up a definitive time, but my amendment seeks to give some definition to the length of time for which the easements will be available.

Sir Peter Soulsby: I thank the hon. Gentleman for his explanation of what he is trying to achieve, but does he accept that ending the easements at that particular stage of construction is totally unreasonable?

3.30 pm

Stephen Hammond: I accept that the amendment may be imperfect in some respects, but we need to write into the Bill some definition to replace the open-ended nature of the provision. That is what I am seeking to do.

Mike Gapes: The hon. Gentleman may not be aware that one of the great potential benefits of Crossrail coming through my constituency is the redesign potential for Ilford station, including a complete new terminus for buses—I have had discussions with local bus companies and others—and the regeneration of part of Ilford town centre. I am certain that many of those developments will be going on while and possibly after the first trains are running on the Crossrail line. What he is suggesting could cause serious difficulties for communities that will get a substantial regeneration benefit from the proposals.

Stephen Hammond: I am afraid the hon. Gentleman misses the point. The amendment is nothing to do with compulsory purchase of land. It deals with easements and rights of way. The point that he makes is therefore not relevant.

I listened carefully to the hon. Member for Leicester, South (Sir Peter Soulsby) and I accept that a date definition is difficult. He would have to accept that dates referred to in the Bill are not ideal.

Mike Gapes *rose*—

Stephen Hammond: I have given way to the hon. Gentleman once. I know that he will make the same point again and that I will disagree with him, so let us move on.

The powers being sought by the Secretary of State in respect of easements should need to be used only during the construction phase of Crossrail. No doubt the Minister will tell me that I am being too prescriptive, but I am trying to prevent access to land that might be required after the construction of Crossrail. I am trying to ensure that it is clear that access will be granted after the date that it is required. The amendment is sensible and reasonable. It is one that we did not discuss in Committee. It limits the length of time that an easement can be used.

The second amendment in the group, amendment No. 3, is identical to one that I tabled in Committee, which resulted in an informative debate spanning two sessions. At the end of that debate, we gave fair notice that we intended to revisit the matter on Report. For Crossrail, we have an agreed route, scheduled works along the route, and defined limits of deviation within which the nominated undertaker may deviate when carrying out the scheduled works. All that is reasonable and fair, and it seems natural that the provisions of the Bill should therefore apply only to the limits of deviation. Or are we saying that they should apply everywhere else?

Clause 10 provides that planning permission shall be deemed to be granted under the Town and Country Planning Act 1990 on land needed for the carrying out of the scheduled works. The amendment is designed to restrict the application of deemed planning permission to land that falls within the limits of deviation, as defined in clause 1. We heard previously from the Minister that the problem with such a measure is that separate planning permission would be required for land outside the limits of deviation. My question to him, therefore, is what will be required outside the limits of deviation? Are we to say that the limits in the Bill apply everywhere? That will be an extraordinarily wide provision for the Government.

The Minister rightly said that one of the fundamental purposes of the Bill is to ensure that deemed planning permission can be obtained for the works reasonably required to enable Crossrail to be built. Where that is appropriate, there has been an environmental assessment. The works have been set out in the Bill, and they have been granted limits of deviation, should they need to deviate from their original location.The Bill already gives the Secretary of State huge leeway in respect of carrying out the scheduled works for Crossrail. In our opinion, the Government should not need the additional powers set out in clause 10 in so far as they relate to land outside the exceptional leeway that they have already been granted. The Government cannot have it both ways: they cannot say that they will build within the scheduled works and the limits of deviation and then add that, just in case that does not work, they should have powers to build outside and beyond those limits of deviation.

The Conservative party supports Crossrail, and the project requires exceptional powers. However, those powers must be used responsibly. The two amendments would ensure that.

Mr. Tom Harris: I shall start by speaking to amendment No. 2. It might help if I explain the purpose of clause 7, which the amendment seeks to change. The clause allows the Secretary of State to acquire land outside the Bill limits through compulsory purchase if it is needed in connection with Crossrail. The clause also allows the Secretary of State to acquire additional land within the Bill limits if it is needed in connection with Crossrail but cannot be acquired under clause 6(1), as it is needed for an unforeseen purpose. Those powers, although vested in the Secretary of State, may be devolved to the Greater London authority or Transport for London by virtue of clause 60.

Unlike the principal land acquisition power in clause 6, which deals solely with land acquisition within the Bill limits, the power to acquire land under clause 7 can be exercised only through the making of a compulsory purchase order under existing compulsory purchase legislation. Accordingly, there are well established procedures to be followed and protections for those affected by any such proposed order. The Secretary of State would be required to prepare and publicise a draft compulsory purchase order, so that those affected had an opportunity to object and to require a hearing or public local inquiry. The acquisition of any land

[Mr. Tom Harris]

under the compulsory purchase order, if made, would attract compensation under the national compensation code.

The extent to which land outside the Bill limits can be acquired compulsorily is well precedented. The provisions of clause 7 are modelled on section 5 of the Channel Tunnel Rail Link Act 1996, the last hybrid Bill for a railway project; I suspect that the hon. Member for Wimbledon (Stephen Hammond) already knew that.

Clause 7(5) allows the Secretary of State to acquire an easement or other new right over the land in question, as opposed to acquiring the land itself—if, for example, a right of access for the purposes of occasional repair is needed. Amendment No. 2 would restrict any easement or right taken over land acquired under that power to the period during which Crossrail was being constructed. However, there are circumstances in which a permanent easement or right is required. They include situations in which access is needed for the maintenance of structures associated with Crossrail—for example, permanent sound barriers—or for new retaining walls and embankments works.

Mr. Liddell-Grainger: Does the Minister think that the planning legislation before the House at the moment will affect those issues in any way? I know that that involves a bit of crystal-ball gazing. Furthermore, is he aware of any elements of the Bill to which what he is saying might apply as of today, or are we just banking for the future should something go wrong?

Mr. Harris: The clause in question is not for when something goes wrong; it is there to be flexible enough to accommodate unforeseen circumstances. At this moment it is not possible to make a list of all temporary and permanent easements and the uses to which they would be put. I am sure that the hon. Gentleman will understand why I do not want to speculate about any hypothetical effect of the Planning Bill.

Given the examples that I have just cited and my explanation, I hope that the hon. Member for Wimbledon, being a sensible and reasonable chap, will agree to withdraw amendment No. 2.

I turn to amendment No. 3. Clause 10 deems planning permission to be granted for two different categories of works. First, the scheduled works listed in schedule 1 have to be built within their respective limits of deviation. Secondly, as long as other non-scheduled works fall within the scope of the various environmental assessments accompanying the Bill, they can be built anywhere within the limit of deviation or the limit of land to be acquired or used. In addition, safeguarding work to buildings necessary or expedient in connection with the works can be carried out outside these limits, but within a specified distance of the works in relation to which the protection is provided—50 m where the work relates to an underground railway and 35 m in other circumstances.

The geographical extent of the works and the planning permission granted by the Bill is therefore well known and transparent. For example, the main railway and running tunnels are scheduled works, as are all the new stations to be built in the central section. Planning permission for those works is therefore granted within their limits of deviation. However, some works are not scheduled works and so get planning permission only if they have been environmentally assessed. These include ancillary works such as station alterations and electrification works on the existing national rail networks within the limits of land to be acquired or used, and protective works to buildings outside those limits. I am therefore satisfied that the scope of the deemed planning permission is limited to the works that are reasonably required to enable Crossrail to be built.

Furthermore, all works are subject to the detailed consent regime set out in schedule 7, and stakeholders will have had the opportunity to consider detailed information about the likely environmental impacts of all the works for which deemed planning permission is proposed to be granted, and if necessary to petition. The hon. Gentleman's amendment would require separate planning permission to be sought for any works authorised by the Bill that are not scheduled works and fall outside the limits of deviation of the works. That would, as I have indicated, affect a wide category of works, including unscheduled works that lie within the limits of the Bill. The effect of requiring separate planning permission to be sought for such works would be to undermine the very purpose of the Bill—that is, to obtain deemed planning permission for the works reasonably required to enable Crossrail to be built, where they have had appropriate environmental assessment. It would expose the project to the risk of severe delays as local authorities considered applications for these works under the 1990 Act regime, including possibly the holding of public inquiries.

On the basis of that explanation, I invite the hon. Gentleman to withdraw his amendment if for no other reason than that I hope that he accepts that undue delay to the schedule for the construction of Crossrail would result in added costs. If he is so concerned about added costs of the scheme and transparency in funding it, I hope that he will accept that his amendment would add nothing to the demands to keep the costs of Crossrail down.

Stephen Hammond: I am grateful to the Minister for calling me a sensible chap. He will know that if I say that I am interested in ensuring that costs are kept to what they were at the outset, then that is what we intend to do. I listened to him carefully, and I have looked at his previous comments to the effect that were the amendment to be pressed, that might cause some concern with the route. We have expressed on several occasions our concerns about the scheduled works and the limits of deviation. Notwithstanding that, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 23

OVERRIDING DUTY OF OFFICE OF RAIL REGULATION BEFORE CROSSRAIL OPERATIONAL

Stephen Hammond: I beg to move amendment No. 4, in page 15, line 2, after '(6)', insert

', but no later than 9 months after the day on which the railway mentioned in section 1(1)(a) is first used by Crossrail passenger services,'.

The clause and the amendment will be of particular concern to the hon. Member for Leicester, South (Sir Peter Soulsby), who said in the previous debate that he was worried about periods of time, because they focus on the infamous "interim period", which, for the purposes of the Bill, is the time between the granting of Royal Assent and the date on which passenger services commence on Crossrail. During that period, the Office of Rail Regulation has an overriding duty to exercise its access contract functions in such a way as to facilitate the operation of Crossrail. I accept that principle, which, as the Minister pointed out in another context, has, like so much of the Bill, a precedent in the Channel Tunnel Rail Link Act 1996.

That was a fine Bill enacted by a fine Conservative Government, but the Minister will recognise that even legislation such as that can sometimes be improved upon. We do not necessarily have to take the example of that Act and look no further—and the amendment would look further. It would give some clarity and definition to the phrase "the interim period".

Clause 23(7) gives the Secretary of State the power to extend the so-called interim period. In Committee, I expressed more than once the idea that during the interim period, which takes place between the granting of Royal Assent and the day on which passenger services commence, the ORR has the overriding duty to ensure that the construction phase of Crossrail is prioritised. That is right, but should not that power be restricted? Should not the ORR have the overriding duty only during the construction phase? Is it really right that it has that overriding duty once services are up and running? I have tabled an amendment that would restrict the extension of that overriding requirement to nine months and restrict any duty beyond the interim period.

3.45 pm

When we discussed the matter previously, the Minister was concerned that a restriction of six months would be too short. He rejected an amendment to that effect on the grounds that passenger services will be phased in on Crossrail over a period of time. He suggested that even six months after the first service, a full service might not be operational. He repeated that view to Committee members in his letter of 6 December. On reflection, it is just about possible to suggest that. We may well see an example of that with the channel tunnel rail link and the services run on it out of the excellent new St. Pancras station. However, if we consider the possibility of phasing in services, can we really say that a Crossrail service will not have a full timetable in place nine months after operation? In the Minister's response to the Committee, he clearly implied that he does not believe that the interim period should extend for time immemorial. He hopes that it will not extend wildly beyond the time when passenger services are fully operational. As so often in this Bill, he wants the flexibility to determine when that may be. We see that that flexibility is reasonable.

Sir Peter Soulsby: I understand what the hon. Gentleman seeks to achieve, which is the construction of the whole scheme, and to have it open and carrying passengers. Does he not accept, however, that setting such an artificial limit could have a perverse effect? Because the clock would start ticking, as it were, on the day that the first passengers were carried, the artificial time frame he seeks could have the perverse effect of delaying completion of the scheme.

Stephen Hammond: I have listened to the hon. Gentleman's logic, and I can see that one might want to be tempted by it, but I am not tempted enough.

Mr. Scott: Does my hon. Friend agree that another way of looking at the matter is that applying pressure, in the sense of getting the vital Crossrail project completed within a certain period, would be advantageous rather than a handicap?

Stephen Hammond: My hon. Friend is yet again being helpful and putting a point that I would wish to make; I am grateful to him for that.

We accept that there has to be some flexibility, but as so often with the powers that the Minister and the Government seek under the Bill, it seems to me that such powers should not be open-ended, and that they should be restricted in certain cases. I am concerned that we are told time and again that the Channel Tunnel Rail Link Act is a fitting precedent for Crossrail legislation. I might have been tempted to accept that precedent if I had not had the good fortune to serve on the Committee that considered the Channel Tunnel Rail Link (Supplementary Provisions) Bill. It includes several clauses, which, taken together, have the effect of undermining the argument both for the interim period and for restricting that interim period. That is extraordinarily inconsistent. Sometimes we are told that the Channel Tunnel Rail Link Act is an extraordinary and helpful precedent, and at other times we disregard it. The Channel Tunnel Rail Link (Supplementary Provisions) Bill is clever and has the potential to turn the interim period into an indefinite period—but it is inappropriate to allow the interim period that we are considering to become indefinite.

If we are to take the 1996 Act as a precedent for the Bill, we must assume that the Channel Tunnel Rail Link (Supplementary Provisions) Bill will, when enacted, form some sort of precedent for any future Crossrail (Supplementary Provisions) Bill. We must therefore ensure that we will not be faced one day with the prospect of an indefinite extension to the interim period through the precedent of some future Act.

I do not want an indefinite period during which the Office of Rail Regulation must prioritise Crossrail—or, indeed, High Speed 1. It is neither necessary nor desirable. The ORR is an excellent regulatory body, which should oversee all parts of the rail network. It should not have a legal obligation to favour one part of the network over another, because that might compromise its independence once the operational phase begins.

I reiterate that we wholly support Crossrail. We understand that extraordinary powers will be required to build it. We appreciate that the Secretary of State needs flexibility but, once Crossrail has been constructed and the passenger services are operational, many of the extraordinary powers should become superfluous. Crossrail should fit in with the rest of the network.

The amendment would grant the flexibility that the Secretary of State seeks, but restrict the extension of the interim period to nine months. I hope that that

[Stephen Hammond]

would allow for full phasing in of Crossrail passenger services and be sufficient to reach a stage whereby the construction period is complete and Crossrail no longer needs the regulator's special help. That is an important point, which the Minister acknowledged in Committee. I hope that he will acknowledge it now, especially given our discussions about the Channel Tunnel Rail Link (Supplementary Provisions) Bill.

I hope that the Minister can grant Conservative Members some joy in the festive season and accept our reasonable amendment.

Mrs. May: I am grateful for the opportunity to intervene briefly in the discussion about the overriding duty placed on the ORR. When the hon. Member for Leicester, South (Sir Peter Soulsby) intervened on my hon. Friend the Member for Wimbledon (Stephen Hammond) and hinted that it might take longer than nine months for the Crossrail timetable to be fully up and running, I thought that he must be a customer of First Great Western. Several years after it took over the timetable, we are still trying to ensure that the service runs on time and reliably. Notwithstanding that, I expect that the Crossrail timetable can be implemented rather better than that on which we are working with First Great Western.

I support the amendment because I am worried about giving the power to the ORR even for a limited period, let alone for the unlimited time for which the Bill provides. The duty enables the ORR to say that Crossrail comes first and that the need to get Crossrail up and running and do the works for it must override every other consideration on the railways.

I have already referred to the problems with First Great Western. My constituents are willing to see Crossrail put in place, but they would have concerns if they were consistently told that works that were necessary to improve services on the main lines and the relief lines for regular commuter services were being put on the back burner purely because Crossrail came first. As I understand it, that is the implication of clause 23 as drafted. I have reservations about that, because although I can talk only for my constituents, at the western terminus of the line, I fear that the same would apply to those on the First Great Western main line down to Reading. I would have thought that similar concerns would also apply in other parts of the route that the Crossrail line will take.

We should certainly not give the Office of Rail Regulation an unlimited ability to act through the Secretary of State's powers. It must be limited. Nine months is a reasonable time within which to expect Crossrail to have the timetable up and running after its construction and the start of the first passenger services. I therefore fully support my hon. Friend's amendment, and trust that the Minister will give us reassurance about the impact that the construction of Crossrail will have on services on the First Great Western line.

Mr. Tom Harris: I am quite prepared to offer the hon. Member for Wimbledon (Stephen Hammond) a merry Christmas, but not before the successful Third Reading of the Bill. I hope that I can persuade him that his amendment is unnecessary, and perhaps even get him to admit that the wording is intentionally mischievous. It is during the interim period that the Office of Rail Regulation would have an overriding duty in the exercise of its access contract functions to facilitate the operation of the prospective principal Crossrail services.

To deal briefly with the comments of the right hon. Member for Maidenhead (Mrs. May), it is sometimes frustrating that hon. Members in all parts of the House constantly demand that new rail lines be built, but only provided that there be no unforeseen consequences for adjacent rail lines. In the case of Crossrail, there will clearly be unwanted consequences for other rail services, because we are building a new railway. Given the level of investment that we expect the public and private sectors jointly to make to the project, it is unreasonable to tell prospective investors that we will not give overriding precedence to the requirement to build and operate Crossrail services. That is not a particularly easy message to get out, but it underpins the entire Bill. If we are going to have a Bill, with the necessary investment, we must guarantee 100 per cent. that the construction and services will operate completely unimpeded. That is the view of the Government; I hope that it will ultimately be the view of the Opposition, too.

Mr. Liddell-Grainger: On a point of clarification, throughout the Select Committee considering the Crossrail Bill we kept hearing Crossrail say that there would be minimal disruption throughout the system. I agree with the Minister that the project is vital and must go through, but we on the Committee were assured that there would be minimal disruption, even in the stations where there are to be major structural works, which is what I suspect the Minister is alluding to. Does he not agree with my hon. Friend the Member for Wimbledon at least somewhere along the line and say that although there will of course be disruption, there must be a parameter determining how it affects First Great Western—the railway company in my area, too—as it could have an adverse affect on what we are trying to do? Otherwise, the Minister will confuse the issue.

Mr. Harris: I can confirm that it is certainly the intention of both the Bill and the Government that where disruption occurs, it will be the minimum necessary required to build and operate Crossrail. However, I am sure that the hon. Gentleman would assume that anyway.

The Secretary of State may need to extend the period, as specified under subsection 7. For instance, Crossrail services are expected to be phased in over a year. I referred earlier to the wording of the hon. Member for Wimbledon's amendment and his proposal for a nine-month requirement. On the day that the funding package for Crossrail was announced, it was publicised in a number of newspapers and on the Department for Transport website that the Government intended to phase in Crossrail services over a period of 12 months. I am sure that the hon. Gentleman knows that, so it is surprising that he has chosen a period of nine months—three months less than we have already announced—for the phasing in of those services. However, I am sure that he has had some fun with his proposal. I shall, none the less, ask him to withdraw it.

4 pm

For a new railway of the magnitude of Crossrail, it would be unwise to attempt to introduce the full service to all destinations overnight. In this context, it makes sense for the Office of Rail Regulation not to grant access rights to other railway operators that would frustrate the phasing in and stabilisation of Crossrail services. Once the full Crossrail service is in operation, it will have—and will exercise—all the appropriate access rights, and Network Rail and the ORR would not then grant conflicting access rights. Timetabling and capacity allocation would happen by means of existing industry mechanisms and duties. There would consequently be no need for the protection afforded by clause 23, so the interim period naturally has a finite useful life. There would be no point in the Secretary of State extending the interim period beyond its useful life, because the path would already have been granted and could not be taken away.

As I indicated during our previous debate on this matter, and as I further explained in my letter following the Committee, an artificial time-limited cap on any extension of the interim period would be undesirable at this stage of the project development. We cannot predict with certainty what practical considerations in respect of the phasing in of Crossrail services might arise 10 years from now.

Mrs. May: I am grateful to the Minister for giving way. I should also like to place on record the fact that I am grateful to him for the time that he has given to me, and to other Members of Parliament, in connection with the operation of First Great Western services, which interacts with the issue of Crossrail. As I understand it, he is saying that when the time comes for Crossrail services to begin, Crossrail will take precedence on the slow lines that currently carry slow and semi-fast First Great Western services through my constituency. I am concerned that my constituents in Maidenhead and Twyford could find themselves with a greatly reduced service and amenity when Crossrail is introduced, because they might lose First Great Western services and end up at the end of a metro line, which would be a slow stopping service that would take twice as long to get to Paddington as it does at the moment.

Mr. Harris: I have spoken to the right hon. Lady about her concerns regarding the effect of Crossrail on Maidenhead. I understand her concerns, but I hope that she will understand that I am loth to speculate on the timetable for Maidenhead in 2017. She has already had a commitment from me that whenever the Great Western franchise is renewed, we will ensure that due attention is paid to the points that she has raised about the level of Crossrail services at Maidenhead. I hope that she will forgive me if I do not dwell on the specific question that she has asked, given that we are still about 10 years away from the first Crossrail services coming into operation.

As I have said, we cannot predict with certainty what practical considerations in relation to the phasing in of Crossrail services might arise 10 years from now. Nine to 12 months is probably as good a guess as any other at this stage for the time for which the interim period might need to be extended to facilitate the orderly phasing in of Crossrail services. However, I hope that the hon. Member for Wimbledon will accept that we cannot legislate on the basis of a good guess. I hope that hon. Members will, for those reasons, appreciate that the length of any extension to the interim period would most sensibly be determined nearer the time, not 10 years in advance. I am not persuaded that an artificial, and completely random, cap set this far ahead is the answer. I therefore hope that the hon. Gentleman will feel able to withdraw the amendment.

Stephen Hammond: I have listened carefully to the Minister's explanation. As usual, I have some difficulty with the idea that we can use a Bill for a precedent at one stage, but disregard it when it does not suit us. I find that particularly troubling. I have no problem with the principle that the Office of Rail Regulation should have the overriding duty during the construction phase or during the phasing in. Our concern is the length of that phasing-in period. Notwithstanding what the Minister has said about one year, it seems to me that nine months to get a relatively simple service—it is not as if it is the most complex of services—

Mr. Harris: Twenty-four trains an hour.

Stephen Hammond: If one is to believe the Minister and his wonderful HLOS—high level output specification—statement, that should not be any problem for the Government. Let us not go down that line, however. Let us look at the provisions for the interim period. The amendment proposes that there should be some limit to the time allotted for the phasing in of operations. Why should it be open-ended?

Mrs. May *rose*—

Hon. Members: Not again!

Mrs. May: I recognise the groans heard around the Chamber, but the Minister made a comment from a sedentary position that impacts on Maidenhead and its services. I believe he said that the Crossrail service would be running 24 trains an hour. I am at a loss to understand that, given that we have been told that only four trains an hour would be coming out to Maidenhead.

Stephen Hammond: That is a very interesting intervention from my right hon. Friend. I do not know the answer to it, but I am sure that the Minister will want to jump up and intervene any moment now to explain what he said. No, it looks as if the Minister does not wish to intervene, which probably means that the service to which I was alluding is even more simple than I suggested, making the restriction that I am looking for even more appropriate.

Mr. Harris: Since I always like to help the hon. Gentleman and the right hon. Lady, let me say that the service frequency to which I referred relates to peak-time services through the central tunnel.

Stephen Hammond: I am grateful, as ever, for the Minister's help. However, I am not convinced by his arguments on this amendment in any way, shape or form. The whole purpose of our scrutiny of the Bill has been to ensure that although we accept that exceptional powers are required, those powers should have some restrictions on them; they should be scrutinised and those exercising them should be accountable. That is what the amendment does. It is a sensible amendment and I am not tempted to withdraw it.

[Stephen Hammond]

Question put, That the amendment be made:—

The House divided: Ayes 117, Noes 248.

Division No. 32] **[4.7 pm**

AYES

Afriyie, Adam
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davis, rh David *(Haltemprice and Howden)*
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Gauke, Mr. David
Gibb, Mr. Nick
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Maples, Mr. John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Paice, Mr. James
Paisley, rh Rev. Ian
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Taylor, Mr. Ian
Tredinnick, David
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Brooks Newmark and Michael Fabricant

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Breed, Mr. Colin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, Mr. Alan
Cawsey, Mr. Ian
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davies, Mr. Quentin
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howells, Dr. Kim
Humble, Mrs. Joan
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark

Levitt, Tom
Linton, Martin
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mann, John
Marris, Rob
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Mullin, Mr. Chris
Murphy, Mr. Jim
Naysmith, Dr. Doug
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prosser, Gwyn
Pugh, Dr. John
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, David
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Willott, Jenny
Winnick, Mr. David
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Steve McCabe and
Mr. Tom Watson

Question accordingly negatived.

Mr. Richard Benyon (Newbury) (Con): On a point of order, Mr. Deputy Speaker. Quite by chance I was looking through the raft of ministerial statements that have been placed in the Library today, when I discovered that it has been announced in a statement that the only military base left in my constituency is to be closed. The 42 Engineer Regiment and the Royal School of Military Survey are to be affected. The closure will result in a number of redundancies in my constituency, and very long-term links with the town of Newbury will be severed for ever. Do you not think it a matter of basic courtesy to the local community and to myself, as the local MP, that I should have been informed at some point in this process, and that such catastrophic news for the local community could have been broken to it in a slightly less arbitrary fashion?

Mr. Deputy Speaker: The timing and content of written statements are entirely a matter for the Government. They are not something that the Chair can deal with. The comments that the hon. Gentleman has made are now on the record, and, no doubt, everybody will take note of them.

Mr. Alan Meale (Mansfield) (Lab): Further to that point of order, Mr. Deputy Speaker. May I say that I find the situation bewildering? I am sure that you are correct in this, but I think that the hon. Gentleman is making a valid point. On such important matters as that, Members of Parliament should be advised in advance of any serious decisions taken about a constituency matter.

Mr. Deputy Speaker: Again, I understand the point that the hon. Gentleman has made, and the fact that he has made it simply reinforces the point of order. I trust that the Government Front-Bench team will take note of it.

Mr. Tobias Ellwood (Bournemouth, East) (Con): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Is it the same point of order?

Mr. Ellwood: It is in a similar vein, but—

Mr. Deputy Speaker: Order. I really think that we must move on. I think that I have dealt with that point of order.

Clause 26

AMENDING PRE-COMMENCEMENT ACCESS CONTRACTS: CONSTRUCTION OF CROSSRAIL

Stephen Hammond: I beg to move amendment No. 5, in page 17, line 19, after 'State', insert

'and such other persons (if any) as it considers appropriate'.

Mr. Deputy Speaker: With this it will be convenient to discuss Government amendment No. 1.

Stephen Hammond: Those hon. Members who had the joy of serving on the Public Bill Committee with me will know that we raised a number of concerns about consultation in that often informative and good humoured Committee, and had useful discussions about the subject. The Minister often dismissed my amendments outright, but at other times he appeared to be tempted by them. With that in mind, may I thank him for his letter to Committee members dated 6 December, in which he expanded on some of the points that he raised in Committee about consultation? He made it clear that he was not opposed to the principle

[Stephen Hammond]

of enlarged consultation, but he suggested that there were a number of cases where that process would not be either desirable or practical. He also accepted in that letter that one of the many amendments that I tabled on consultation had some merit.

In Committee, the Minister said that he more or less accepted the principle of an amendment that I tabled, and it is now in the form of Government amendment No. 1. It is marginally different from my original amendment and I assume that the wording needed to be tightened up or made legally acceptable. In any case, I hope that we now have a practical and workable consultation procedure. We therefore welcome Government amendment No. 1 and we are disappointed only that the Minister did not accept more of our suggestions.

Amendment No. 5 is in the same vein. It relates to consultation, and I tabled a version in Committee. The Minister was tempted by it, and pledged to look at it with his officials. I hoped that we might see it tabled as Government amendment No. 2, but unfortunately that has not materialised. I have therefore tabled my amendment, and it uses the same wording as the Government use in Government amendment No. 1. It has the same format and I hope that the Government will accept it on that basis. As it replicates the Government's language, it should be consistent with the Government amendment, which should ensure that the phrasing is legally binding, unambiguous and workable.

I shall explain why consultation is so important. Crossrail is a massive project that will affect a lot of people. We believe and hope that more people will be positively affected, at least in the long term, than will be adversely affected. None the less, those who will be affected in any way should have the right of consultation. The consultation procedures already employed have been very successful. I congratulate the hon. Member for Mansfield (Mr. Meale) and his Select Committee team on such sterling work in hearing from those people who wished to present their case. It is undoubtedly right that the Bill is better for having gone through the hybrid procedure and allowing that consultation. The decisions and hearings of the Committee have enhanced Crossrail and improved its legitimacy in the public eye.

Consultation on railway matters is important. The Bill will give the Secretary of State new powers and will modify existing powers, and that will have the effect of interfering with current procedures and the norms of the railway industry. I accept that some of that is necessary and we do not object to the principle. However, we want to be certain that it is done in a way that is transparent and accountable, and that the affected parties are consulted. It is in that context that I return to clause 26, which deals with the amendment of the pre-commencement access contracts by the Office of Rail Regulation.

Clause 26(4) gives the Office of Rail Regulation the power to require concerned parties to submit proposals for how it should amend the contracts, and that is welcome. Clause 26(5) provides that the ORR must also consult the Secretary of State as part of the process, but that is where the consultation process ends. The purpose of my amendment is to ensure that the ORR is open to the concerns of other appropriate and relevant parties, and consults them in an appropriate and relevant fashion. The Minister said in Committee that nothing in the clause prohibits the regulator consulting in such a manner. That is true, but it is not enough. If the Minister accepts that we can amend the Bill elsewhere using words that are similar to

"such other persons (if any) as it considers appropriate",

surely the ORR should have the duty to consult with persons other than the Secretary of State as it considers appropriate. That would be consistent with the duty of consultation. We all agree on the value of consultation and we agree that the ORR could consult in such a way. Why should we not make it an obligation and put it in the Bill?

In Committee, the Minister accepted that the amendment had some merit. I believe that it still has. In fact, it has more than that. It is right that if the Government are prepared to accept wording elsewhere that makes a minor change but increases consultation, making it more binding, they should do the same in this clause. I hope that the Minister will reflect on my remarks. The Government have accepted the principle in Government amendment No. 1, and so it would be only right and proper to accept it for clause 26, too.

4.30 pm

Mr. Tom Harris: I do not intend to accept the hon. Gentleman's amendment, although I am grateful for the support that he has given the Government amendment. I think that he has misunderstood the reasons behind my reluctance to accept the amendment in Committee and today. I assure him that I fully support the intention behind his amendment. I agree with his points on consultation. I do not want him to take away from this debate the assumption that I oppose the amendment because he has used the wrong wording. That is not why I am resisting the amendment. As I shall explain, his reservations about consultation are taken care of by industry procedures.

Consultation on railway matters was raised a number of times in Committee. There is no disagreement on the principle of consultation. The point at issue is the extent to which it is desirable or sensible to be prescriptive in the Bill. As I explained in Committee, there are many places in the Bill where it is unnecessary to include an authority or obligation to consult more widely, because it does not preclude that. It is not always desirable in cases where there is a specific consultation obligation to predict who appropriate consultees should be. For example, when the Secretary of State or the ORR is placed under a duty to carry out a consultation, they would address who should be consulted as part of a good administrative process.

As I agreed in the debates, there are parts of the Bill related to railway matters where an amendment to clarify the natural extent of the consultation would not be without merit, although it could arguably be unnecessary. However, the Government intend that the railway powers in the Bill that deal with access to Crossrail services on the national rail network will be cut back substantially in the House of Lords. That is in the light of progress made using normal industry processes, not least the consideration of the Crossrail access option for access to Network Rail's network. It is appropriate to consider consultation requirements when hon. Members have argued that amendments could be valuable and when the railway powers are reviewed following the outcome of consideration of the Crossrail access option.

In that context, I turn to the amendment tabled by the hon. Member for Wimbledon (Stephen Hammond), which is familiar from Committee. The amendment would require the ORR to invite representations from any other parties that it considers appropriate, in addition to the Secretary of State, when it considers that an access contract needs amending because use of the railway facility to which it relates will be affected by the construction of Crossrail.

As I have explained, an amendment of this nature is not necessary. The ORR does not need the authority to consult as widely as it considers appropriate—indeed, nothing in clause 26 prevents it from doing just that. The ORR has established policies on consultation and it has a track record of engaging in very open consultation on access matters. In practice, the ORR would need to consult at least the parties to the affected access contracts before it could decide whether and how those contracts needed to be amended. Additionally, clause 26(4) enables the ORR to require those parties to propose what directions should be given and, logically, that would engage them in the consultation process.

Ultimately, it can be left to the ORR to decide what is appropriate in this case. As I have stated, amendments to the relevant clauses will be sought, with the aim of enabling their lordships to consider general matters of Crossrail-related railway policy in the light of the wider review and of the potential reduction in those clauses' scope.

Government amendment No. 1 is modelled closely on an amendment tabled by the hon. Member for Wimbledon in Committee, and on the consultation theme that he has regularly discussed. Clause 30 would provide for access to infrastructure associated with the new central tunnel—access that would not be provided for in the Crossrail access option in any event. Hence, the power may be held in reserve until a further access option is secured in relation to that new infrastructure. As a result, now is as good a time as any to amend this part of the Bill.

In effect, clause 30 requires the Secretary of State to consult the ORR on the terms of an access contract for services using the Crossrail central tunnel or associated facilities. Government amendment No. 1 requires the Secretary of State also to consult any such other parties as she deems appropriate on the terms of the access contract to which an exemption under clause 30 would relate. There is a conscious parallel with the consultation obligation in clause 24(4)(c).

I have to say that I do not believe that the Government amendment is strictly necessary either, as there is no doubt that the Secretary of State would wish to act in the way that I have described. However, given the context of what I have said about the railway powers in general, on this occasion I accept the value of a visible requirement, and I therefore hope that the House will support Government amendment No. 1.

As I said in my letter to hon. Members following the Public Bill Committee, I hope that Government amendment No. 1 can be taken as an indication of our genuine intention to keep matters relating to consultation in mind when we come to review the rest of the Bill's railway powers more widely in the House of Lords. Therefore, I hope that what I have said reassures the hon. Member for Wimbledon and that he will feel able to withdraw amendment No. 5.

Stephen Hammond: I listened carefully to what the Minister said, and I am discovering that life in opposition is all about small victories. He considers that my amendment has some merit, and I am grateful for that—and for the fact that he and the ladies and gentlemen who at times provide him with divine inspiration have tabled Government amendment No. 1. That is a small victory for the Opposition.

Anyone who attended the Public Bill Committee will have heard what the Minister said about amendment No. 5 before—almost verbatim, in fact—but I still have the same problem with this part of the Bill. The Minister said that the ORR has a history of open consultation, and that it can decide whom to consult. If so, why should it not be obliged to consult those whom it considers appropriate? That would be fair and sensible, and it should be included in the Bill.

I remain unconvinced by the Minister's argument that there is no need to include in the Bill the obligation on the ORR that amendment No. 5 would impose, just as he is not convinced that Government amendment No. 1 is necessary. Even so, I beg to ask leave to withdraw amendment No. 5.

Amendment, by leave, withdrawn.

Clause 30

Crossrail access contracts: disapplying requirements for approval

Amendment made: No. 1, in page 20, line 37, after 'Office of Rail Regulation', insert

'and such other persons (if any) as he considers appropriate'.—*[Mr. Tom Harris.]*

Clause 57

Application of act to extensions

Stephen Hammond: I beg to move amendment No. 7, in page 34, line 30, leave out from 'applies' to 'in' in line 31 and insert

'shall apply the provisions of this Act'.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following amendments:

No. 8, page 34, in line 34, leave out

'may also provide for any provision'

and insert

'shall also provide for the provisions'.

No. 9, page 34, in line 36, leave out subsection (4).

Stephen Hammond: The amendments are very much of a probing nature. When we reconsidered the Committee proceedings, it seemed to me that we had not finally sorted out a number of things. We said that we would need to return to them on Report because the Government's intentions were not clear. That point was at the heart of the intervention by my right hon. Friend the Member for Maidenhead (Mrs. May).

Clause 57 relates to the statutory framework that would govern a future extension of Crossrail. We have some concerns about that, so we want to understand exactly what the Government intend. Our first concern relates to why only some of the Bill's provisions would apply to an extension, and the second relates to the possible need for legal re-hybridisation if there were an extension. The core question is whether a substantial extension would require the same treatment as the original Crossrail route.

Our first concern is addressed directly in the amendments, which would have the effect of ensuring that there was no selectivity in applying the Bill's provisions to any extension of Crossrail. Subsection (4) states that certain provisions of the Transport and Works Act 1992 will be specifically excluded from applying to an extension. They relate to the compulsory acquisition of land, heritage protection controls and rights of entry in relation to English Heritage. We need reassurance from the Minister. What is it about those provisions that makes them applicable to the current route, but not to an extension? Those provisions will be specifically excepted from an extension to Crossrail.

As for the remainder of the Act, the Government want the power to pick and choose which provisions would or would not apply to an extension. That seems inconsistent and irresponsible. We have subjected the current route and the current legislation to an extensive and intensive period of parliamentary scrutiny, so if there were an extension to the route there would be an injustice if petitioners in that case were not able to do the same.

When I raised the issue in Committee, the Minister said my proposal would not be workable. Are we saying that just because the Minister considers something unworkable we will not put justice into effect? Does it mean that we should not introduce legally binding provisions? Apparently, the Minister's rationale was that whereas the powers required to build the current Crossrail route are defined by an Act of Parliament that has authority to disapply and modify the application of existing legislation, an extension to the route only needs legislation under the Transport and Works Act, which does not have such authority?

Is the Minister satisfied that the point is merely technical? Is he happy that the clause allows only certain elements of the Bill to apply to an extension? Is he satisfied that a substantial extension of the route—perhaps from Maidenhead to Reading—would be dealt with only under the provisions of the Transport and Works Act, or does he think that if he took legal advice he would find that re-hybridisation of that part of the route was required and primary legislation was needed?

It seems unusual that there should be one legislative scrutiny regime for the current Crossrail route but a different one for any future extension. It is possible to understand why relatively minor changes to the Crossrail network—a new facility here, a station renovation there—would be dealt with under the Transport and Works Act and would not warrant any exhaustive procedures. However, where Crossrail is being extended—in the exact circumstances that my right hon. Friend the Member for Maidenhead outlined—should the people affected have the right to take part in exactly the same sort of consultation procedure afforded to those affected by the original route?

4.45 pm

Legal advice from counsel, which is already circulating among Ministers and the Opposition, suggests that this is an interesting part of the law. The Government's reassurance that an extension to the route would be covered purely by a Transport and Works Act order is at least contestable. The Minister needs to give the House some reassurance. I see in the Chamber a number of hon. Members who served on the Select Committee for a long time. They will know better than most that the plans for constructing Crossrail provoked a large number of organisations and people, who felt that their lives and businesses would be affected by the project, to come forward and present petitions to the Committee. The Select Committee procedures gave them the opportunity to have their say and to be heard.

If the route of Crossrail is to be extended, are the Government satisfied, in legal terms, with a situation in which people whose homes or businesses are affected by the extension to the route will not have the same protection and rights afforded to those affected by the original route? The Government are going to leave themselves in a very difficult position—one that will be open to legal challenge. Is that desirable? The Minister needs to give the House a clear indication that he has consulted his officials and is absolutely convinced that there is no possibility of a legal challenge to the Bill on the basis that any extension to Crossrail would be dealt with purely by a Transport and Works Act order.

These are probing amendments. We remain extremely concerned that if the clause stands as it is, there is the potential for a legal challenge to the whole Bill.

Mr. Tom Harris: Clause 57 allows any Transport and Works Act order that relates to a proposed extension of Crossrail or to the provision of a facility connected with Crossrail to apply any provision of the Bill, with any modifications necessary to the order, or provide for any provision of the Bill to have effect as if the extension were part of Crossrail.

Perhaps I can take a moment to explain the purpose of clause 57. As the hon. Member for Wimbledon (Stephen Hammond) will know from our earlier debates, the Bill establishes a bespoke regime for Crossrail, modifying or disapplying various bits of legislation and replacing it with a tailor-made regime, based heavily on the regime created in the Channel Tunnel Rail Link Act 1996. He will recall that, for example, the Bill creates a bespoke planning and railway regulatory regime for Crossrail. Were a TWA order subsequently sought for an extension to Crossrail—say to Reading or Ebbsfleet—or for a new Crossrail facility such as a new station, that order could not necessarily apply the same regime established by the Bill to those works, because TWA orders, as a form of delegated legislation, are limited in what can be done by way of modifying the application of legislation.

That is not to suggest that a TWA order could not extend Crossrail if this provision did not exist. If a decision were taken to extend Crossrail to Ebbsfleet or Reading, for example, it would be possible to do so under the existing powers to make TWA orders. It is simply that any extension would then have to be built under a different regime. The clause would simply allow any such TWA order to make the provision needed to ensure that any extension or new facility is subject to the same regime as the Crossrail scheme covered by the Bill.

Mrs. May: I suspect that I should declare an interest in that I live alongside the railway line between Maidenhead and Reading. It has long been my contention, and that of other Members of the House, the business community and local councils, that Crossrail should extend to Reading. Given the comments made by my hon. Friend the Member for Wimbledon (Stephen Hammond), I would be grateful if the Minister could make it clear that it is the Government's absolute position that an extension to Reading would be possible simply by the exercise of a Transport and Works Act order, and that there would be no legal challenge based on the fact that that order did not involve the sort of consultation that has been necessary in relation to this Bill. A lot of comfort has been taken locally from the fact that an extension to Reading would be relatively easy because it could be done under a TWA order. I am concerned about the legal questions that have now been raised.

Mr. Harris: The right hon. Lady is correct in her assumption. As I think I said in the Public Bill Committee, the Government are committed to making a decision on the safeguarding of the route from Maidenhead to Reading for future possible extension of Crossrail to Reading. I want to make it absolutely clear that when we make that announcement on the safeguarding, it will not represent any change at all to the Government's position on the construction of Crossrail under the Bill. It will terminate at Maidenhead, and regardless of whether we safeguard the route to Reading, there are absolutely no plans to extend construction to Reading. However, she is correct in her assumption that that can be done through an order under the Transport and Works Act. She asked whether I could be certain that the decision would face no legal challenge. I am confident that such an order would result in no successful legal challenge; whether an unsuccessful legal challenge is made is another matter.

We believe that the structure that I have described makes perfect sense. It would be confusing and unhelpful if one regime applied to parts of Crossrail and another applied to other parts. There are safeguards: certain provisions of the Bill should not be applied, such as those dealing with the extension of compulsory purchase powers to listed buildings, buildings in conservation areas and ancient monuments. Those issues are more appropriately dealt with under the TWA order process, in which the circumstances of the proposals for the extensions, and the objections to them, will be considered. Of course, any TWA order that would apply to the Crossrail Bill regime would follow the normal procedure for such orders. Those affected would have the opportunity to object to any aspects of the Crossrail Bill regime proposed to be applied by an order, and to have their concerns heard by an independent inspector as part of the TWA order process.

I do not see how I could justify asking Parliament to set up another Select Committee to hear petitions, when objections can be dealt with perfectly satisfactorily in a public inquiry. There is nothing remarkable about the works needed for extensions to Crossrail. Similar works in England and Wales have for many years been successfully dealt with by means of the TWA order process, and there has been full public involvement. Clause 57 merely ensures that if extension is merited and approved under the TWA order process, the regime will be consistent with the Bill.

Another point that the hon. Member for Wimbledon may want to consider when deciding whether to withdraw the amendment is that the Channel Tunnel Rail Link Act 1996 did not contain a provision for a station at Stratford International, but when the proposal was added to the scheme, it was done under a TWA order.

Stephen Hammond: I have said already that I think the 1996 Act was a fine piece of legislation from a fine Government, but it is not true that all pieces of fine legislation cannot be improved later by the scrutiny of the House.

I listened carefully to what the Minister said. I have no wish to incur the cost of setting up another hybrid Bill Committee to consider any extension to the route; that was not the purpose of my amendments. My purpose was to ensure that we were as certain as we could be that if different procedures applied to different parts of the Crossrail route, and that route was extended, there was no real possibility of a successful legal challenge. The Minister rightly said that he could not be certain that he would not be subject to a legal challenge, although it might fail. I was reassured that he has clearly taken good advice. He is happy to tell the House that he is convinced that although differing regimes would apply to different parts of the route, an extension can be built under the Transport and Works Act, and there is no reasonable prospect of a successful challenge. That was the reassurance I sought, so I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. William Cash (Stone) (Con): On a point of order, Madam Deputy Speaker. The Prime Minister signed the treaty this afternoon in breach of the European scrutiny resolution of the House of Commons of 17 November 1998, which was passed by this Government. The resolution clearly states:

> "No Minister of the Crown should give agreement in the Council or in the European Council to any proposal for European Community legislation . . . which is still subject to scrutiny",

and that

[Mr. William Cash]

"any reference to agreement to a proposal includes . . . political agreement."

It is possible for a Minister to give agreement in circumstances in which

"he decides that for special reasons agreement should be given",

but he has to explain those reasons

"in every such case, to the European Scrutiny Committee at the first opportunity after reaching his decision".

In accordance with the resolution of 17 November 1998, therefore, and because the European Scrutiny Committee has a duty to the House to ensure that the Standing Orders of the House are complied with, I ask you to consider my point of order and to ensure that the Prime Minister comes to the European Scrutiny Committee and explains himself.

Madam Deputy Speaker: The remarks made by the hon. Gentleman are not a point of order for the Chair, but Members on the Treasury Bench will no doubt have heard those remarks.

Order for Third Reading read. [*Queen's Consent, on behalf of the Crown, signified.*]

4.56 pm

Mr. Tom Harris: I beg to move, That the Bill be now read the Third time.

I do not need to remind the House that this substantial Bill enables the construction of the Crossrail scheme—a scheme that will have an enormous effect on hundreds of thousands of people. As right hon. and hon. Members present know, the Bill was first introduced on 22 February 2005 and has been carried over and reintroduced a further three times since then.

The Bill received its Second Reading in this place on 19 July 2005 and the Select Committee, so ably chaired by my hon. Friend the Member for Mansfield (Mr. Meale), commenced its work on 17 January 2006. Having sat for 21 months and heard some 200 petitions, the Select Committee published its special report on 23 October 2007. Once again, I place on record my sincere thanks to all the members of the Committee for their perseverance. I am sure right hon. and hon. Members will agree that the Bill is a better piece of legislation following the Committee's scrutiny.

Rather more routinely, the Bill was then scrutinised by a Public Bill Committee which, after four good humoured and entertaining sittings, reported on Tuesday 27 November. On Third Reading, hon. Members will be asked to approve the Bill and, in so doing, approve the building of Crossrail. Before that question is put to them, I recognise that it is important that they are given a full understanding of the special considerations that apply in a case such as this, where the House is being asked to approve a project that will have significant environmental impacts. I fear that this involves a rather technical explanation, for which I apologise in advance.

In this connection, the hon. Member for Wimbledon (Stephen Hammond) raised with me specific concerns about the parliamentary procedures for the Bill, in the light of correspondence from a group calling themselves the coalition and their legal representatives. I can confirm that I and my officials have read the correspondence and taken advice. I am content that the procedure is compatible with the relevant EC obligations.

The environmental impact assessment directive requires that decision-making bodies should give consent to development projects likely to have a significant effect on the environment only after assessment of those environmental effects has been carried out. To that end, the directive sets out a procedure to be followed that requires a proper assessment of the likely significant environmental impacts of a project, which is published in the environmental statement; proper consultation of interested parties, including the public, on the environmental statement; that the views of the consultees should be taken into account, and that the decision whether or not to consent to the development should be given publicly, with the reasons for the decision. The environmental statement for Crossrail was published in February 2005. It has since been supplemented by a number of additional volumes, reflecting changes to the project made during the parliamentary process or additional information that became available later. Responses to the consultation exercise on the environmental statement were published in Command Papers issued in July 2005 and last month. We also published a third Command Paper last month; it summarised the work done to assess, control and mitigate the environmental impacts of Crossrail and the reasons why the Government continue to take the view that the project is worthy of their support.

I deposited a written statement before the House on 20 November to draw hon. Members' attention to those documents and to the obligations placed on this House, as the decision-making body for Crossrail, by the environmental impact assessment directive. I especially draw attention to appendix A of Cm. 7250. It summarises the Government's reasons for urging this House to endorse its proposals for Crossrail, notwithstanding the unavoidable environmental impacts of such a project, on which subject I shall say more in a moment.

It is now for right hon. and hon. Members to decide, in the light of the information provided by the Government and the views expressed by interested parties, whether the project should be allowed to proceed, taking into account its environmental effects. When considering that question, right hon. and hon. Members will no doubt bear in mind the excellent work done by the Select Committee, which considered many environmental issues as part of the process. Indeed, the Select Committee process resulted in a number of changes to the project, many of which helped to reduce Crossrail's likely environmental impacts.

However, the remit of the Committee did not permit it to consider all the environmental issues raised by petitioners. This House instructed the Committee to report separately on those further issues so that hon. Members could consider all views raised on the Crossrail project. The Committee issued its special report in October, and it included a chapter on environmental issues. Hon. Members will wish to consider whether any matters raised there, in the environmental statement, in the consultation responses or in any direct representations from their constituents lead them to conclude that the project should not be granted consent.

For my part, I am satisfied that the Crossrail project is in the wider public interest. It is not possible to build a large public transport infrastructure project in a densely populated area without some adverse impacts on those living and working on or near the intended route. Those impacts will include noise and various adverse effects on the townscape, landscape, visual amenity, heritage, archaeology, traffic and transport, as well as on certain businesses and local communities. In the Government's view, those effects are outweighed by the benefits that Crossrail will bring—not just to the United Kingdom as a whole, but to the local communities that will benefit from improved transport connections.

The Government do not take lightly the environmental impacts of the project and I draw hon. Members' attention to the complex package of controls, mitigation and compensation measures put in place to reduce and mitigate the potential adverse impacts. They include changes to the project, made during the Select Committee process, that reduce environmental impacts; Bill provisions requiring detailed consents and approvals from relevant bodies such as local planning authorities; and the obligations to be placed on the Crossrail-nominated undertaker in the environmental minimum requirements, including a range of undertakings and assurances addressing environmental concerns.

On the plus side of the balance sheet, Crossrail has the potential to improve the lives of commuters as nothing has before. It will provide London and the south-east with a world-class railway, delivering high-capacity mainline rail services to and through the heart of the City and west end. It will provide a new fleet of trains, operating a 24 trains-an-hour peak service in both directions through central London, carrying some 200 million passengers a year. Crossrail has a strong economic case; the benefit-to-cost ratio is 1.8:1. We estimate that, in addition, Crossrail will generate cash benefits to the UK gross domestic product of at least £20 billion. Others have suggested that those benefits to the national economy could be substantially higher.

It goes without saying that Crossrail will significantly increase the capacity of the rail network into and across London. It is expected to add 21 per cent. and 54 per cent. to rail capacity to the City and the Isle of Dogs respectively, thereby relieving congestion and overcrowding on the existing national rail and underground networks. It will support the development of London as a world city and in its role as the financial centre of Europe and the United Kingdom.

The improved east-west rail access into and across London from the east and south-east regions will also support local and national Government policy for economic development and regeneration, particularly in the Lea valley and Thames Gateway, attracting some additional 80,000 jobs to regeneration areas.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): Will my hon. Friend give way?

Mr. Harris: If my right hon. Friend will forgive me, I should like to continue.

Those are the key benefits. I could, of course, say far more about the benefits of Crossrail and the potential adverse environmental impacts, but I think—I hope that the House will agree—that I have already spoken for quite long enough. I now urge right hon. and hon. Members to express their views on this matter. I hope that they will agree that the overall balance of benefits to disbenefits is such that this project deserves their wholehearted support. I commend the Bill to the House.

5.5 pm

Stephen Hammond: I thank the Minister at the outset for his confirmation that he has had the opportunity to look at the legal advice sent to us by a group calling itself the coalition and its legal advisers and that after being able to make his speech without intervention he satisfies all legal requirements in that regard. I hope that that is helpful to the whole House.

Today the Bill finishes one part of its lengthy procession through the House. It was first introduced in 2005 and received its Second Reading in July of that year. It was subject to the hybrid Bill procedures, with two Committee stages in both Houses, the Select Committee to hear petitions and then, more routinely, the Public Bill Committee. The Select Committee first sat in January 2006 and had more than 100 sittings—*[Interruption.]* I am underestimating that, according to my hon. Friend the Member for Northampton, South (Mr. Binley), or perhaps it just felt like that.

Mr. Meale: Considerably.

Stephen Hammond: The Chairman of the Select Committee uses the right word.

Closing submissions to the Select Committee were made in July 2007, and to enable it to continue its work we had two carry-over motions on the Floor of the House. The Bill then wound its way through to the Public Bill Committee, where, as the Minister said, we had four good-humoured sittings. None the less, proper scrutiny was carried out. To ensure that, Her Majesty's Opposition tabled some 70 amendments and two new clauses. It is a source of considerable pride to Her Majesty's Opposition that the Minister found that he could support, if in a slightly differently worded way, at least one of our amendments, which found its way on to today's amendment paper. The Bill will now proceed to the other place and go through the same stages, although I am sure that Members there will be pleased to hear that it will not, as I understand it, be subject to a Select Committee procedure as lengthy as it was in this House. Nevertheless, today represents a significant step forward in Crossrail's development.

Mr. Eric Pickles (Brentwood and Ongar) (Con): Even given its lengthy proceedings, the Committee always treated my constituents with freshness and great attentiveness. That contrasts strongly with Crossrail itself, which, even in dealing with a relatively small and trivial matter such as minimising the effects of parking during the construction, seemed very reluctant, according to my local council, to come to any definitive decisions. That is worrying. If it was prepared to do something as relatively trivial as that, it would ease people's minds as to whether it is an organisation that is as willing to listen as the Select Committee was.

Stephen Hammond: Of course, I am not here to answer for the undertakers of the Bill, or for the Secretary of State, but my hon. Friend's point is well made. I am sure that it will have been heard by the nominated undertakers. He makes the point, as has everyone in the House today, that the Select Committee has done an amazing job. We are all thankful for that, principally because we were not on the Committee.

The Conservative party's position has been clear throughout the Bill's parliamentary stages. It was stated initially by my hon. Friend the Member for Epsom and Ewell (Chris Grayling), and it has also been stated by the shadow Secretary of State for Transport, my hon. Friend the Member for Chipping Barnet (Mrs. Villiers), and myself, on numerous occasions in this House and other places. We have always supported Crossrail in principle, but we needed to be certain of the funding, and we needed to be certain that the funding package was robust.

On 5 October, the Government announced the funding package in what seemed some undue haste, before the Prime Minister changed his mind about a general election. It is most regrettable that during all of our scrutiny, we have not had the chance to discuss the funding package in any real depth, notwithstanding the Minister's generosity in putting at our disposal the heads of agreement between the Mayor and the Secretary of State. The Minister was also kind enough to brief myself and the hon. Member for Richmond Park (Susan Kramer).

However, we need to understand exactly the consequences of this package and its robustness. The Mayor of London intends to levy a supplementary rate of 2 per cent. on businesses throughout London, and there will be relief for small businesses. He will raise £3.5 billion, or more precisely he is going to raise £3.5 billion in debt. However, the supplementary level can take place only, and I quote from the heads of agreement, when

"such consultation as may be required is undertaken".

That touches on my point about our inability to scrutinise matters, for what is

"such consultation as may be required"?

Who is going to be consulted? Where will the results be accessible?

There are large grants from the Department for Transport and Transport for London, which come to close to £8 billion. If any rational decision is to be taken, one needs to be able to scrutinise those grants. There are also very large contributions in the funding package from developers and sums raised from the sale of land. Again, it would be helpful if we were able to scrutinise the robustness of the whole package.

I say to the Minister that Crossrail has our support, and it will continue to have it. However, we questioned the financing previously. We questioned it at the time of the referral to the Lyons inquiry and that whole debacle; during consideration of the carry-over motion; and, where we could do so in some minor, ingenious way, in Committee. I have questioned it again this afternoon by attempting to introduce a new clause. We will continue to question the package to ensure its robustness.

The Minister will also know—we alluded to this earlier—that we raised the question of the right to consultation several times in Committee. Notwithstanding the legal questions raised by the coalition, and the Minister's reassuring answer, I have been approached latterly by representatives of Smithfield market tenants. That process reflects something that we discussed in Committee, which is the right to compensation. That right has been confirmed, but people are concerned that there has been no further discussion about the sums that may be granted. Those making representations to the Committee were assured that they would be compensated for the costs of going before the Committee and of making submissions. Again, there has been no further discussion with the people who made those petitions about the substance of that compensation. It would be helpful if the Minister—either in his closing remarks or by some other method—made clear the Government's intent on those two points. None the less, Crossrail is important to London and what benefits London will benefit the United Kingdom.

I have already mentioned the commitment and hard work of the Select Committee and of other hon. Members. I note that the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) is in his place. During the Bill's passage, we have had the chance to consider what would be included on the Crossrail route and, at times, to make sensible decisions for the greater value and benefit of the scheme. That was highlighted in our debates about Woolwich station. They led to the Government changing their position and allowing a Select Committee to consider the matter, and to an innovative funding solution. I am sure that the right hon. Gentleman will confirm my comments in his speech, but I believe that Woolwich station will make a valid contribution to the regenerative effect of Crossrail on the Thames Gateway. It is to the credit of our parliamentary procedures that we were able to achieve what we did.

Mr. Philip Hollobone (Kettering) (Con): My hon. Friend is right to highlight the Select Committee's success in persuading the Government to change their mind on Woolwich. However, another early victory occurred when the Committee put its foot down about the ticket hall arrangements at Liverpool Street station. The Government have agreed that the largest proposals for a ticket hall should be incorporated in the scheme. The Select Committee has prevented chaos at that station by advancing its cause.

Stephen Hammond: My hon. Friend is right. I know that he was a valued member of the Select Committee.

Crossrail is essential for London and the United Kingdom. It will enable London to remain a truly international, world city and the global leader in financial services. One can take economic estimates how one likes, but it is estimated that GDP could benefit by some £30 billion, of which £12 billion will go directly to the Treasury in tax receipts. I am sure that that is another reason for the Government's support for the Bill. I have no doubt that Crossrail will significantly benefit the United Kingdom. Conservative Members wish the Bill a swift passage through the other place and beyond, so that the first sod can be cut.

5.17 pm

Mr. Raynsford: I shall be brief, but I do not want the moment to pass without congratulating my hon. Friend the Under-Secretary of State for Transport on his success in bringing this important, long and complex Bill to the point at which it should receive a Third Reading today and then pass on to the other place and complete its parliamentary passage.

The Bill is important and should bring substantial benefits to London. Without it, London's economic growth—and, indeed, its transport policy—would face serious questions. Without Crossrail, the outlook for London's transport in 20 years would be much more challenging, with serious transport and environmental consequences. When we consider environmental issues, we should be aware that without Crossrail, London's future could be bleak, with serious traffic congestion and the consequent environmental degradation. We should be conscious of that wider environmental context when considering the short-term adverse impacts during the construction phase.

I am conscious of that in my constituency, especially in Woolwich, which has probably suffered more than most London boroughs in the past 20 to 30 years from economic decline and deindustrialisation. The result has been relatively high poverty and deprivation and a need for new investment. It is noticeable that the works currently taking place to bring the docklands light railway into Woolwich have provoked few complaints or criticisms. I have received only a small number, despite the huge disruption that that major engineering work is causing the area. The reason is simple: the work is bringing enormous benefits to a deprived area, which will benefit from communication across the Thames through the docklands light railway to London City airport and beyond. That will be a helpful economic driver.

By contrast, Crossrail will be an enormous benefit because the fast connection to Canary Wharf, central London and through to Heathrow will make possible investment that was previously thought impossible in Woolwich. That is why there was such enormous feeling in Woolwich across all sections of the community—the business community, the local population and all others, including our neighbours in surrounding areas—about the importance of the Crossrail station, which was one of the great achievements of the Select Committee. I pay tribute to my hon. Friend the Member for Mansfield (Mr. Meale) and his colleagues on the Committee for recognising the importance of the Crossrail station at Woolwich and insisting that it be incorporated in the Bill.

I pay tribute, too, to my hon. Friend the Minister on the Government's acceptance of the case and on their recognition that, through an innovative funding regime involving a private sector contribution to the station at Woolwich, it was possible to amend the Bill in a way compatible with the economic objective of delivering the entire Crossrail project cost-effectively. The hon. Member for Wimbledon (Stephen Hammond) has referred to the innovative financing of the scheme and to the contribution that it will make to the Thames Gateway. We should all be pleased about what has been achieved on the financing, which will help to ensure the greater success of the Crossrail project and its contribution to the Thames Gateway in general, and to Woolwich in particular.

5.20 pm

Susan Kramer: I am conscious of the time, and will endeavour to make my comments brief. Like others who served on the Public Bill Committee, I am in awe of hon. Members who spent nearly two years on the Select Committee. I pay direct tribute to my hon. Friend the Member for Southport (Dr. Pugh), who sat on that Committee for the Liberal Democrats and, I believe, even volunteered for it. That must surely buy him a lot of freedom from purgatory. The Bill now heads on to the other place, where there is significant expertise. I understand that a number of Members in the other place will relish the hybrid stage, so perhaps there is much more to happen to the Bill.

We as a party have long supported Crossrail. We would have loved it to go to Reading in the west and to Stansted in the east, but the project has at least made its beginnings, and will be crucial to ensuring that London continues its economic vibrancy.

I should like to make some brief comments under three headings. Funding remains a significant concern to us. Transparency is important, not just to allow general discussion, but because it brings a discipline to a project. One only has to consider the experiences of the public-private partnership and Metronet to see how much that kind of discipline is needed. As the Bill—and, I hope, the project—proceed, we would like some clarity about the sources of funds and how they will be used and applied.

The innovative financing, in the form of a levy on business, fits the direction of travel that we have often considered for infrastructure projects. We would have preferred something targeted much more on the direct beneficiaries, as it were, of the economic bounce that will come from the project. The levy being used in this case is a rather blunt instrument, but the general direction of travel is crucial, and should provide an example of how large infrastructure projects could be structured in future.

However, one issue that remains important to us has not been discussed today. We would consider including a sizeable contingency in the £16 billion project being presented. On behalf of London fare payers and London businesses, we must press the Government to ensure that if there is an underspend, the clawback and savings will be returned, first to London fare payers and then to the London business community.

I have two quick comments to make on the impact of the project. We understand that the issue of freight will return at the hybrid stage, but I want to underscore its significance now. London needs a number of projects. Because of long delays in decision making, they are now beginning to move together, and that process must be managed.

Finally, I want to raise the issue of blight, which goes beyond this project but is also inherently part of it. The opportunity has been missed to present a new mechanism for dealing with the blight of major infrastructure projects. I would recommend to the Minister that, as he talks to his colleagues in the Department for Transport, he take a look at BAA's property market bond scheme. I really recommend BAA as an exemplar in this regard. The scheme provides a mechanism for widely reducing blight impact, rather than simply in the narrow sense in which compensation is provided under Government legislation.

I have been conscious throughout the passage of the Bill that we have to get it right. It seems that every project that comes up steps up to the plate and becomes a template for the next project, and we see

[Susan Kramer]

constant references back. The work that has been done to try to improve this legislation should have long-term consequences not only for this project but for the many rail projects that I hope we shall see in future, as Crossrail usurps the channel tunnel rail link as the touchstone project for the next phase of construction.

It has been noted that £16 billion is a very large sum of money, but the value and benefit of Crossrail to the London economy—and, therefore, to the UK economy—is crucial. I am delighted to have been part of a process that I hope will move the project into something close to its final stage.

5.26 pm

Sir Peter Soulsby: As one of those who did two years of penal servitude on the Select Committee on the Bill, I could speak at considerable length now that I am free. Some of us had become so institutionalised by the end of that process that we actually volunteered to go back inside and serve on the Public Bill Committee. None the less, I shall try to keep my remarks brief and simply make some fairly sharp points.

The Minister has talked about the enormous benefits to the economy that Crossrail is likely to bring. He mentioned a figure of about £20 billion; the hon. Member for Wimbledon (Stephen Hammond) spoke of about £30 billion. Who knows what it will be? We do know that it will be very substantial indeed. Crossrail is a major infrastructure project, of vital importance not only to the capital but to the national economy. It is very much to be welcomed. Obviously, a lot of regeneration could result from it, and many jobs will be created during its construction. It will provide a vital east-west link across the capital, without which the existing transport infrastructure would run the real risk of clogging up to the point of coming to a standstill.

The hon. Member for Richmond Park (Susan Kramer) referred to one of the remaining issues as the Bill leaves this House and goes on to the other place. That was freight, and she was quite right to draw attention to it. Freight was one of the issues to which the Select Committee drew specific attention in its report. We said that we expected there to be continuing discussions about the impact of Crossrail on freight, both east and west of the capital, and we hoped that it would be given further consideration. I know that the Department has given it further consideration and is working on possible solutions, as is the industry more widely, so that when the Bill is debated in the other place, sufficient reassurance can be given that the vital interests of freight will be protected as Crossrail comes into operation.

Other hon. Members have mentioned some of the continuing concerns expressed by those who have petitioned against the Bill. The Smithfield market traders were specifically mentioned; I know that other members of the Select Committee will have received letters from them and from others about their lingering concerns about the impact of the scheme on their interests. It is worth reassuring those people again that they will have the opportunity to petition against the Bill in the other place, should they wish to do so. They will have the opportunity to be heard in the other place, if they feel that their interests have not been adequately protected by this House. Similar procedures will be followed as the hybrid Bill goes through its various stages.

It is worth saying, by way of a brief digression, that the Select Committee did not consider the overall merits of the scheme. The Bill comes to the hybrid Bill Committee as something that, having been given its Second Reading, has already been approved in principle by the House. We were aware of that in Committee, but not all the petitioners were aware of it. There is no doubt that some who wanted to petition against aspects of the principle of the Bill or alternative routes or the potential to go further out to East Anglia, to Reading or beyond found it somewhat frustrating that that was not within our remit.

It is worth putting on record the fact that one aspect of the hybrid Bill procedure—there are many great strengths to it—is not in place now and might be worth considering before the House deals with the next hybrid Bill. The procedure might be strengthened if hybrid Bill Committees had the same facility as Public Bill Committees now have—to hear initial evidence in order to set the context for later consideration. That, or perhaps further consideration of evidence in advance by the departmental Select Committee, might have enabled any frustrations to be dealt with at an earlier stage. That might also have enabled the hybrid Bill Committee to have looked at the outset at some of the more general issues that we had to return to on a number of occasions during our hearings—for example, ground-borne noise or the compensation code, which we had to learn about rapidly. Those matters could have been dealt with initially by hearings with expert advice, which might have allowed us to deal even more expeditiously with the petitions in front of us.

Mr. Hollobone *rose*—

Sir Peter Soulsby: I will give way briefly, but only once, because other hon. Members are waiting to speak.

Mr. Hollobone: I agree with the hon. Gentleman's comments about the limitations of the hybrid Bill procedure. Members of the Committee felt a lot of frustration because they could not look into alternative scenarios at either end of the route. Being able to do that would not have been disruptive to the hybrid Bill procedure. I would like to support the hon. Gentleman in his view that if another hybrid Bill comes along, revisions to the procedure could be made to enable the Committee to add further value to its deliberations.

Sir Peter Soulsby: I thank the hon. Gentleman for that contribution. It is clear that the frustration was shared by other members of the Committee. I wonder whether the Modernisation Committee might like to look further into the hybrid Bill procedure—quite an unusual procedure for Parliament, but one that can be of very considerable significance when it crops up.

Let me pick out two of the most significant changes that the hybrid Bill Committee was able to make. The hon. Member for Kettering (Mr. Hollobone) has already referred to one of them—the significant improvements to the Liverpool Street station plans. We rapidly concluded that what was being proposed was not workable. I believe that what was ultimately put forward—I recall that we learned a lot about Pedroute and various other ways of looking at such schemes—meets the needs of the City of London Corporation, which petitioned, British Land and others. The arrival of Crossrail will enable that station to improve even beyond its current situation.

The right hon. Member for Greenwich and Woolwich (Mr. Raynsford) referred to the second substantial change—the inclusion of a station at Woolwich. We were absolutely convinced that the costs were enormously outweighed by the benefits, particularly the regeneration of the area. I am very grateful to my right hon. Friend—ably supported by his parliamentary neighbour, my hon. Friend the Member for Eltham (Clive Efford) who made an equally strong case—for pressing so strongly for this station. I also pay tribute, as have others, to the Minister and his Department for the responsive way in which they dealt with this issue and the constructive way in which they set about finding a funding package to enable this enormously worthwhile station to be built at Woolwich.

To conclude, when many of us were appointed to the Select Committee almost exactly two years ago, we felt that we might have been appointed to the parliamentary equivalent of breaking rocks. In fact, I am delighted that we were proved wrong about that, as it turned out to be very worthwhile. I am delighted that we have produced a scheme that will be of enormous benefit to London. It is not, of course, just for London; it will be a vital piece of national infrastructure, which will undoubtedly make a significant contribution to the economy.

As I said earlier, I think that the Bill has been very well scrutinised by the House, and very constructively amended by the Government. I hope that it will now be approved by the House, and will permit the construction of what will unquestionably be an exciting and vital public transport link. I trust that it will proceed to the other place, perhaps to be still further improved but certainly to produce, at the end of the day, a very worthwhile project.

5.35 pm

Mr. Binley: I pay tribute to the hon. Member for Leicester, South (Sir Peter Soulsby), who has proved to be a wise and experienced counsellor on matters of this kind. I am sure that his local government experience created that ability. I also pay tribute to the Chairman of the hybrid Bill Committee, the hon. Member for Mansfield (Mr. Meale), who led us with humour, gentleness and kindness, and managed to keep our interest going when most of us were flagging. His work ought to be recognised, and tribute should be paid to it.

Sadly, I cannot share the confidence and enthusiasm expressed by my hon. Friend the Member for Wimbledon (Stephen Hammond), for I have sizeable doubts. In my defence, I will add only that I had those doubts before the scheme began, and the work that I did in Committee did not change that; indeed, it rather strengthened my doubts, which relate to three specific issues. I am concerned about what I consider to be the poor costing regime used for the project to date, and referred to numerous times both in Committee and in the Bill; I fear that Crossrail will remove the focus from vital projects in other parts of the United Kingdom; and I am shocked at the lack of any attempt to put a cost on the blight and disruption that has been caused to London so far. Yet here we are, making a final decision.

All those matters have a direct impact on the end cost of the Bill and the economic return of the scheme. It strikes me as disturbing that we should make decisions in that financial environment, and I think that the next hybrid Bill should make it possible for us to consider those matters as well. That we have not been able to do so on this occasion seems to me to be a major oversight. I realise that it could have been slightly embarrassing for the Government, but preventing embarrassment for the Government is not the purpose of a hybrid Bill or indeed of this place. I should like my opinion to be recorded, and to be considered for the future.

The poor cost accounting for the project became obvious to me as the hybrid Committee's deliberations continued, in two contexts. The first was floating track. More and more of it was demanded by petitioners and promised during our consideration, but the figures given for the amount of floating track and the increased cost that it would entail were extremely vague. I think it unacceptable that the House should make a final decision without an understanding of the true impact of those factors.

My real concern, however, relates to Woolwich station. If the project goes ahead, that station is vital. As was pointed out by the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), the need for regeneration in the area is equally vital. The first estimate of the cost of a station was £350 million. I gained the impression that the cost had been pitched very high because the promoters did not want the station. As we whittled away at the problem, however, the estimated cost fell to £200 million. By 31 October it was £186 million, and the final cost turned out to be about £172 million. If that is an example of the costing used for this project, I despair. It does not give me much confidence.

As for my fear that the focus will be removed from other projects, the *Financial Times* has already made the point that Crossrail covers roughly the distance between Leeds and Manchester but a northern Crossrail has not been considered, although it could have a tremendous impact on the whole economy of the north, an area on which the Government say they wish to make an impact. Many people would say that such a project could be implemented at a considerably lower cost than Crossrail. There are many other examples. The truth is that London has attracted many major infrastructure projects, and the rest of the country is deeply concerned about how much resource and finance will be left for their own particular projects and concerns.

Let me turn to the important matter of the final costings. Many Government schemes lead taxpayers to despair: the initial price is very acceptable, and we make the decision on the basis of that acceptable price, and we then find to our horror that the final cost has doubled or trebled—and sometimes it is four times as great as the initial estimate. I do not wish to embarrass the Government too much.

Kelvin Hopkins: Does the hon. Gentleman not accept the following about the days of British Rail: it worked under tight cash limits and did the best job possible within a fixed sum, and that was on the basis of public borrowing, which was very cheap?

Mr. Binley: I accept that, but I note that the economic return of almost every British Rail project was non-existent, and I am particularly concerned about that in terms of Crossrail. I will address that shortly.

We in Northampton are immensely concerned because we are seeking infrastructure to support what we consider to be a sizeable dumping of houses on our county, and we are not getting it.

Madam Deputy Speaker: Order. I must remind the hon. Gentleman that we are on Third Reading of the Crossrail Bill.

Mr. Binley: I understand that, Madam Deputy Speaker, but I am trying to make the point that the rest of the country is concerned about this project, and rightly so.

My final point is on the costing of Crossrail. I have made the point about the rise in the cost of the Olympics from £1.8 billion to about £9.3 billion. In 2002, it was estimated that Crossrail would cost about £10 billion. That rose last year to some £16 billion. It is estimated that the cost of Crossrail will increase by £1.5 billion a year for the next—*[Interruption.]* I will not refrain from saying this, if Madam Deputy Speaker allows me to say it. It is estimated that the cost of Crossrail will increase by £1.5 billion a year, to about £22 billion by the time the thing starts. I will bet any Member in the Chamber that that figure will end up at between £30 billion and £35 billion. If that is the case, I wonder whether the economic return will be as the Minister and the Government say it will be.

I have serious concerns about the project—as, I believe, do many people in the rest of the country. Would I as a businessman invest, on the basis of the evidence we have been given? Certainly not, because I believe there would be a real risk of my business going bust. Yet that is exactly what the taxpayer is being forced to do. As an MP, should I vote for such a project on such a basis? I personally believe not. I know that it is too late for the Government to change their mind, but I want to put it on record that I believe that this will turn out to be an immensely costly exercise for both London and the rest of the country, and that the economic return will be nowhere near that which the Government project.

5.43 pm

Mike Gapes: I will be very brief. The hon. Member for Northampton, South (Mr. Binley) referred to blight and destruction to London in the construction of Crossrail. There will be even more blight and destruction to London—particularly in respect of the jobs of Londoners and the congestion and pollution caused by inadequate rail services—if Crossrail is not built. It will bring an increase in capacity of more than 40 per cent. of the additional rail capacity that London needs.

The hon. Gentleman also referred to the costs. His figures are based on different financial years, and the reality is that under Doug Oakervee and Cross London Rail Links Ltd there has been a significant reduction in some of the costs, in particular by getting rid of the Romford depot at one end and by redesigning the project in many ways, such as to reduce the amount of spillage from Hanbury street in Tower Hamlets. It is not true that the costs have been escalating. In fact, they have been tightly controlled, which is why we have managed to get this package agreed, with contributions from London business—which will benefit enormously from Crossrail—from the Government and also, inevitably, from the fares.

Mr. Binley *rose*—

Mike Gapes: I do not have time to give way. The hon. Gentleman spoke for a long time, and some of my colleagues also wish to speak.

As the chairman of the all-party group on Crossrail, I am delighted that at last, after 15 years in this House, I see a Government who are bringing about a situation where we can vote for the Third Reading of this Bill and send it on its way to the other place. We will be able to start the construction of Crossrail at the end of this decade, and by 2017, my constituents in Goodmayes, Ilford, Seven Kings and Chadwell Heath will be able to get on Crossrail trains from extended platforms in redesigned stations and go across to Heathrow. They will be able to cut their journey times across central London by a third. The whole of east London will benefit from regeneration as a result of these proposals, and therefore I am delighted to give my support to the Bill.

5.45 pm

Mrs. May: First, may I pay tribute and give thanks to all hon. Members who served on the Committees for this Bill, particularly those who undertook what the hon. Member for Leicester, South (Sir Peter Soulsby) described as the "penal servitude" of the hybrid Bill Committee. Their careful attention to the issues raised by petitioners from my constituency, of whom I was one, led to improvements to the Bill for my constituency, particularly for residents living close to Guards Club park. They have also brought about improvements in relation to works around Maidenhead station and they have reduced the impact—sadly, there will still be an impact—on Brunel's famous Maidenhead railway bridge, which was so wonderfully captured by J. M. W. Turner.

I want to raise three points about the Bill, the first of which is about the hybrid Bill Committee. As the intervention from my hon. Friend the Member for Kettering (Mr. Hollobone) made clear, the hybrid Bill Committee was not allowed to consider the extension of the route. I believe that that directly contravened undertakings given in this Chamber by the Chancellor of the Exchequer, who was the then Transport Secretary. I am concerned that the Committee was not able to consider the extension of the route, because the overall route is an important aspect of Crossrail.

That brings me to my second point. Many hon. Members have referred to the economic benefit of Crossrail. Crossrail will have a great economic benefit, but we will miss out on even more economic benefit if it is not extended to Reading in the west. If one looks at this in a strategic transport sense, it makes sense to extend the line to a transport hub, which Reading clearly is. I know that that view is shared by the two Members of Parliament who represent Reading, and it is certainly shared by Wokingham borough council, Reading borough council and the Thames Valley economic partnership, which represents large-scale businesses in the Thames Valley area. The Government are missing out on something, because the scheme could be even better if it were extended to Reading.

My third point is about the potential impact of Crossrail on services on the First Great Western line, to which I referred on Report. The Minister knows my concern that if Crossrail comes and the First Great Western service is not continued as it is today, my constituents in Maidenhead could find themselves not as the recipients of a fast service and semi-fast services into Paddington, as they are today, but simply on the end of a metro service. The time taken to get to Paddington from Maidenhead would thus double from 20 minutes to 40 minutes. Crossrail could benefit my constituents in Maidenhead enormously if they could board a fast service to Paddington and stay on across London to Canary Wharf and elsewhere.

Sadly, that benefit will not be provided as the services are envisaged. My concern is that unless the Government are willing to accept, when the time comes, that the service specification for the franchise for First Great Western should not be reduced, given that Crossrail will serve Maidenhead, my constituents will find this of disbenefit, rather than of benefit. That would be even more the case for my constituents in Twyford, which is between Maidenhead and Reading, because if the Crossrail line does not extend from Maidenhead to Reading, they would find themselves with a significantly reduced service and really lose out as a result of Crossrail. Crossrail could be so much more of a benefit to the UK, to the south-east and to my constituents if the Government examined carefully the service provision on First Great Western when Crossrail comes and looked at the issue of extending it to Reading.

5.49 pm

Clive Efford (Eltham) (Lab): The arguments on Crossrail have been well rehearsed in several previous debates, so I shall be brief. I congratulate my hon. Friend the Member for Mansfield (Mr. Meale) and all the members of the Committee on the way in which they went about their business. There was a strong argument from people in south-east London, ably led by my neighbour and right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford), in favour of the station at Woolwich, making that town centre a major hub for the wider south-east London area around Greenwich and Bexley.

The Select Committee demonstrated the House at its best by listening to the arguments not only from hon. Members but from others who made representations on behalf of that station. They forced the Government to think again and were successful in achieving the inclusion of a Crossrail station at Woolwich in the scheme. That is very welcome.

I also thank my hon. Friend the Minister for the way in which he has conducted himself throughout the discussions, because he has shown a willingness to listen and an ability to articulate the difficult position that the Government were in on occasion. We have a satisfactory conclusion at the end of the day.

Crossrail is essential for the status of London as a world city. It will contribute 40 per cent. of the necessary increase in transport capacity that London needs if it is to continue to grow and contribute to the British economy. For those who are concerned by so much investment going into London, it is important to remember that London is a net exporter of money to the greater economy of the UK. In the Mayor's submission to the spending review in 2004—"The Case for London"—he highlighted the fact that London exports more than £9 billion to other areas of the UK when public expenditure is calculated against taxes paid. The Corporation of London commissioned Oxford Economic Forecasting to put the case for London, and it highlighted the fact that the capital city imports £110 billion-worth of goods and services from other parts of the country, making London a net importer of resources, a world-class city and the driving force in the UK economy. London also has a catalytic effect on tourism, and financial and business services that benefit the wider country.

The case has been well made for Crossrail. It is essential not only for London, but for the UK's wider economy, and the Government and the Select Committee have done an excellent job on behalf of us all. I hope that the Bill gets a fair wind in the other place and we see Crossrail constructed on time and to budget. As my right hon. Friend the Member for Greenwich and Woolwich said, I hope that my constituents will be able to catch a train at Woolwich and go all the way to Heathrow, non-stop. That will be very welcome for people from south-east London and we all look forward to that day.

5.53 pm

Mr. Meale: In the few minutes that remain, it would be remiss of me, as Chairman of the Select Committee, if I did not pay due tribute to the staff of the House who worked alongside us. The Clerks worked diligently on the Bill. I also pay particular thanks to the Chairman of the Catering Committee—a very important and powerful person—because he helped the Committee by making staff available to provide refreshments to members of the Committee, and also the promoters and petitioners on the Bill. The staff provided refreshments through the months and years that the Committee sat. We are grateful to the cleaners, the Clerks, the police and the security staff, who all allowed us to do our job.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

DELEGATED LEGISLATION

Housing Act

Ordered,

That the Housing Act 2004 (Commencement No. 10) (England and Wales) Order 2007 (S.I., 2007, No. 3308), dated 23 November 2007, be referred to a Delegated Legislation Committee.—*[Alison Seabeck.]*

PETITION

Post Office Closures (New Forest)

5.55 pm

Dr. Julian Lewis (New Forest, East) (Con): I rise to present a petition on the astonishing proposal to close the post office at Bramshaw in the New Forest, which has plunged village residents into despair. Bramshaw's bus services have been discontinued, and many vulnerable, elderly people will be isolated and put at risk on long walks to Cadnam along a busy road with no footpaths. A former bomb disposal officer with a George medal states that closing Bramshaw post office is tearing the heart out of the social life of the village. He is 93 years old. Society should be ashamed.

The petition states:

> The Petition of Mr. Desmond Swayne MP and 366 other customers of Bramshaw Post Office in the New Forest.
>
> Declares that the loss of this Post Office will have a devastating effect on the welfare of numerous vulnerable and elderly residents of the village.
>
> The Petitioners therefore request that the House of Commons urges the Government and Post Office Ltd. to reverse the proposal to close this indispensable branch.
>
> And the Petitioners remain, etc.

[P000086]

The Akhtar Family

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

5.56 pm

Paul Rowen (Rochdale) (LD): I thank the House and Mr. Speaker for granting me this Adjournment debate. I shall talk briefly about the operation of the UK-Pakistan protocol, but specifically about how it has affected Asma Akhtar and her four children. You will be aware, Madam Deputy Speaker, that the case is currently before the family division of the UK High Court, although I have the permission of Mr. Justice Ryder to raise the issue in the House.

The UK-Pakistan protocol on children's matters is an agreement signed in 2003 between the president of the family division and the honourable chief justice of Pakistan. It aims to

> "protect the children of the UK and Pakistan from the harmful effects of wrongful removal or retention from one country to the other".

Article 1 states:

> "In normal circumstances the welfare of a child is best determined by the courts of the country of the child's habitual/ordinary residence."

Article 2 continues:

> "If a child is removed from the UK to Pakistan…without the consent of the parent…the judge of the court of the country to which the child has been removed shall not ordinarily exercise jurisdiction over the child, save in so far as it is necessary for the court to order the return of the child to the country of the child's…ordinary residence."

Article 7 requires that

> "the respective governments of the UK and Pakistan give urgent consideration to identifying or establishing an administrative service to facilitate or oversee the resolution of child abduction cases".

That is an important point, to which I shall return later.

In reply to a written question that I tabled, the Minister wrote:

> "Since its inception in 2003, 84 cases have been brought under the Protocol. Of these, 49 involved actual abduction or wrongful retention of a child by a parent. 19 of these cases involved court proceedings being initiated in Pakistan and 22 cases resulted in returns from Pakistan to the UK."—[*Official Report*, 20 November 2007; Vol. 467, c. 742W.]

I understand that the Foreign and Commonwealth Office had planned to hold a conference on the operation of the protocol in February of next year in Islamabad, although that that has been delayed because of the state of emergency in Pakistan.

I turn now to the case of Asma Akhtar and her four young children. At the outset, I should explain that she is not my constituent, although she was born in Rochdale. She lives in Banbury, and I have the permission of the hon. Member for Banbury (Tony Baldry) to deal with the case. Notwithstanding that, both her mother and sister live in Rochdale, and they were the ones who initially approached me for support.

On 6 April, Asma, her four children aged between two and eight, and her husband Zahoor travelled to Pakistan via Dubai for a family holiday. All are UK nationals.

It being Six o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

Paul Rowen: The family was due to return to the UK on 26 April, having confirmed return airline tickets. Just before the return flight, Asma's father claimed that he was not well, and the visit was extended by 15 days, by agreement. Her husband then tried to extend the visit further. Asma refused, as she wanted to get the three oldest children back to school. She was also studying for an Open university degree, which she was due to complete this summer.

Asma then asked her husband to return her passport and her children's so that she could return to the UK. He refused, saying that neither she nor the children would be allowed to return to the UK. Asma then escaped from her brother-in-law's house in Rawalpindi, where she was being held, and sought the assistance of the British high commission in Islamabad.

The high commission organised a meeting between the two parties at the high commission on 22 May. At the meeting, Zahoor agreed that the whole family would return to the UK to settle the question of the children's custody. Flights were booked for 26 May and, in the meantime, Asma and the children were to stay at a women's hostel.

Before the meeting at the high commission, Zahoor was asked to bring the passports to the high commission. He did not do so. He said he would bring them to the high commission on Friday 25 May. He did not do that either, and nor did he answer calls from high commission staff. On Tuesday 25 May, the high commission found out that Zahoor had applied for court orders preventing his wife from taking the children out of Pakistan. Asma's mother Nasreen then approached me and asked for my assistance.

Having got confirmation from the high commission about what had happened, I advised Asma to return to the UK to commence court proceedings here. That is what she did, with her mother flying to Pakistan to help look after the children. On 9 July, a court order was granted by Mrs. Justice Hogg that made the children wards of court. It stated that

> "said wards be brought to the jurisdiction of England and Wales no later than 27th July",

and it also invoked

> "the Protocol made on 17th January 2003...so that all judicial, administrative and law enforcement authorities of...Pakistan help in locating, safeguarding and facilitating the return to England and Wales"

of the children.

The court order was conveyed to the judge in Pakistan by Asma's solicitors. Further court orders were laid before the High Court on 27 and 30 July, 14, 20 and 26 August, 14 September, 11 October and 14 November. However, none of them received a response from the husband.

Since then, Asma has been forced to remain in Pakistan because she is not prepared to abandon the children. Despite numerous requests, the High Court in Pakistan has refused to respond to the invocation of the protocol, regarding it as a non-binding "memorandum of understanding". Although the courts in Pakistan have granted Asma custody, and even though Zahoor has to pay maintenance there, they have refused to lift the exit control orders.

Asma is a young woman in a foreign country, with no available family support. I have had experience of dealing with many families of Pakistani origin, and I know that that is highly unusual. She is very much on her own. Zahoor and his family have made death threats against her, as the following extract from a letter to the British high commissioner, dated 24 August, shows. She said:

> "I am a woman fighting for the right of my children without any financial or emotional support...I am deeply concerned for the psychological trauma that has been inflicted upon my children...I have received numerous threats from my husband and his family. I have been told I will not leave Pakistan alive and that he will take my children from me."

She is very much a woman alone.

I make no criticism of the support provided by the high commission. Asma was helped to get a place at the hospital and to find a solicitor. I realise that the commission deals with many similar cases and the staff are overworked; nevertheless Asma and her children have been stranded in Pakistan for seven months.

What can the Minister and the Foreign and Commonwealth Office do? The High Court order of 30 July is particularly important in that context. It requests:

> "The UK Passport Agency and the Consulate in Islamabad do communicate in order to reissue passports for the wards...for the purpose of their re-entry into England and Wales."

The UK Passport Service has not responded to the substance of the order made by Mr. Justice Moylan. However, yesterday I met Mr. Justice Ryder, who today issued an order asking the service to respond to that request.

Since August, I have been asking the high commission to issue new passports. Once that has been done, Asma will have a powerful bargaining tool to challenge the exit control orders. I have discussed the case with the Pakistan high commissioner and deputy high commissioner. In an e-mail to me of 7 November, the deputy high commissioner confirmed:

> "Their current British passports are with their father who refuses to give them back. Can you kindly press the High Commission in Islamabad to issue passports."

The Minister will be aware of the strained relations between the courts and Government of Pakistan. It is clear to me that the Pakistan Government can be persuaded to allow Asma and the children to return to the UK. If the Minister agrees to issue the passports, it will put pressure on the Pakistan High Court to respond to the protocol, and send a clear signal that the UK Government are backing Asma in her fight to get her children back to the UK. If the Minister is prepared to do that, I will travel to Pakistan to negotiate their safe return. Can he think of a better Christmas or Eid present for Asma and her family?

For the long term, the Government should begin talks with the Pakistan Government, as envisaged by article 7 of the protocol. Agreed administrative machinery could remove the frustrations and distress caused by the delaying tactics used in this case. The protocol was an important first step forward by the courts—an imaginative response from Dame Elizabeth

[Paul Rowen]

Butler-Sloss. We need the Government to give the protocol some teeth, and I look forward to the Minister's reply.

6.8 pm

The Minister for the Middle East (Dr. Kim Howells): I thank the hon. Member for Rochdale (Paul Rowen) for securing a debate on the UK-Pakistan protocol on children's matters, and in particular on the case of Asma Akhtar. We are very much aware of Mrs. Akhtar's circumstances and I welcome the opportunity to set out clearly the position of Her Majesty's Government in relation to that case. I thank the hon. Gentleman for so clearly setting out the difficulty and complexity of the case.

As the hon. Gentleman told us, international parental child abduction is not a new issue, nor, unfortunately, is it uncommon. As more people live and work overseas, so there will be more families with parents from different countries. Sometimes relationships break down and decisions have to be taken about where a child will live. In some cases, parents cannot agree and one parent decides to move the child to another country without the permission of the other. In this case, there are four children, and the circumstances are pretty exceptional.

Where parents cannot agree, and cannot reach a mediated solution, custody is a matter for the courts. However, it is a serious and distressing issue, particularly when there is an international dimension. We cannot interfere, or take sides, but the Government are committed to helping where we can. I am glad that the hon. Gentleman has spoken about the matter with Mr. Justice Ryder of the family division of the High Court. It is important that the hon. Gentleman gets guidance from Mr. Justice Ryder.

To provide a focal point for our work, in 2003 the Foreign and Commonwealth Office set up a dedicated child abduction section within the consular directorate. The section provides advice and support to parents affected by child abduction. For many years, countries have looked for ways to resolve disputes in the best interests of the children. The 1980 Hague convention on the civil aspects of international child abduction is an international convention under which legal procedures are agreed between a number of countries, including the United Kingdom, to assist in the return of a child who has been abducted.

The hon. Gentleman did not have time to remind us, but The Hague convention does not work for all countries. For example, there are aspects of Islamic or sharia law, as practised in some countries, that can conflict with the principles of the convention. The convention argues that the country of habitual residence should be the deciding factor in determining where custody issues should be resolved. As he reminded us, the children are British. They were taken to Pakistan on holiday and they and their mother now find themselves more or less incarcerated in the country. Sharia law does not always support the notions enshrined in The Hague convention and so in many countries it can be very difficult for parents to have their children returned to their normal place of residence.

Pakistan is such a country. It is also the country to which most abducted British children are taken by a parent—accounting for almost a fifth of our total case records. The United Kingdom-Pakistan protocol, which the hon. Gentleman mentioned, was signed in 2003 following an initiative by Dame Elizabeth Butler-Sloss, who was then president of the family division of the royal courts of justice, and senior judges. The aim was to provide a mechanism for communication between judiciaries to handle child abduction cases between our two countries better.

The judicial initiative reflected the fact that although Pakistan, a country practising Islamic sharia family law, was unlikely in the near future to sign The Hague convention of 1980 on international child abduction, our countries shared many legal principles. They shared a desire to see child abduction cases handled in the best interests of the children. The protocol is a judicial consensus and, as the hon. Gentleman said, is not legally binding. However, in legal systems that draw heavily on precedent, it was clear that further establishing the principle of habitual residence as a strong assumption in child abduction cases would be very helpful. Judicial co-operation on this level is also important in trying to foster international co-operation between judiciaries.

The protocol aims to secure the return of abducted children to the country where they normally live, without regard to the nationality, culture or religion of the parents, so that matters of custody and access can be resolved by the courts there. The protocol, which Her Majesty's Government fully support, has made a difference. According to the most recent records, 84 cases have been handled under the protocol. Of these, a total of 49 involved actual abduction or wrongful retention of a child by a parent. Some 22 cases resulted in returns from Pakistan to the United Kingdom.

As well as offering the advice and support provided by the child abduction section in London, our consular staff based overseas are committed to supporting British nationals. That includes giving all the support that we properly can to those who have had their children abducted overseas, or are involved in custody disputes. We provide a list of overseas lawyers who speak English, conduct welfare checks on children—provided, of course, that the other parent agrees—offer travel information, and help with finding accommodation locally. Where appropriate, we contact the courts overseas to express our interest in a case and ask about progress. In exceptional circumstances we also attend court hearings. However, we can only operate within the confines of the law and cannot interfere in foreign court proceedings, just as other countries cannot interfere in our judicial system.

The hon. Gentleman spoke about the case of Mrs. Akhtar and her four children, all of whom are in Pakistan. Our consular staff at the British high commission in Islamabad became aware of the case when Mrs. Akhtar's family in the UK contacted the Foreign and Commonwealth Office. Consular staff have been in regular, frequent contact with Mrs. Akhtar since 1 May 2007 to offer and provide advice and assistance. That has included accompanying Mrs. Akhtar during a court hearing. Consular officials in London have, also been in contact with Mrs. Akhtar's family in the United Kingdom.

Mrs. Akhtar has asked us to issue new passports for her children, because her husband has effectively taken the passports away, and refuses to give them back to the children.[1] We have not issued new passports because Mrs. Akhtar has started court proceedings in Pakistan under the protocol, seeking the return of the children to the United Kingdom. Under the terms of the protocol, we must await the outcome of the proceedings before issuing passports. Of course, as the hon. Gentleman told us, a lot of time has passed. The poor woman finds herself in dire straits, with her four children in Pakistan. It is important that decisions on travel are made by the appropriate courts of law and that we do not issue passports before a decision is taken; that is the normal situation. To do so could be seen as pre-empting court decisions, or assisting one parent to move the children before the courts have reached a decision on travel. Furthermore, a court order forbids the removal of the children from the jurisdiction of Pakistan without permission from the Pakistani court.

We appreciate the family's frustration about the lack of progress in the case; the hon. Gentleman told us very clearly about that. I stress again that the British Government cannot interfere in the judicial systems of other countries, but I am not sure that that is what the hon. Gentleman is asking us to do; I think that he is asking us to do something rather different. We can and will express our concerns to the Pakistani judiciary at the highest levels at the lack of progress in the resolution of such cases, making reference to the undertaking signed by the judiciary in 2003.

The British high commissioner in Islamabad is aware of the issues, and this week spoke to the protocol liaison judge, Justice Khokhar, a member of the Supreme Court. The high commissioner did not discuss individual cases, but expressed our concern that cases in Pakistan are not being resolved quickly in the best interests of the children. Justice Khokar promised to look into the matter with the district courts, and was concerned that cases were not being handled expeditiously.

The protocol works in many cases, and we would much prefer to have it in place than not, but there are cases where the protocol has not immediately been seen to help, and the case in question is just such a case. We have raised our concerns, but it remains a matter for the courts in Pakistan to decide. We hope that the conference that we plan to hold in Pakistan next year, which the hon. Gentleman mentioned, will be a real opportunity to examine the functioning of the protocol and to look for practical improvements, but that is months away, and the hon. Gentleman clearly described the dilemma that faces Mrs. Akhtar and her family, who are in the UK, in the hon. Gentleman's constituency.

We have discussed whether giving replacement passports or adequate travel documents for the children to Mrs. Akhtar would help in resolving the case more quickly. I understand that there have been discussions with the Pakistani deputy high commissioner and the hon. Gentleman. The deputy high commissioner confirmed that he had passed on to the hon. Gentleman advice that he had received from Mrs. Akhtar's lawyer, and that if the passports were handed on, it would not jeopardise the case and might even help it.

The family court in Rawalpindi has awarded temporary custody of the children to Mrs. Akhtar. It stipulated that the children must not be taken out of the country without the permission of the court. We will be happy to give a letter to the mother, Mrs. Akhtar, saying that once the court gives permission for the children to leave Pakistan, we will issue the passports immediately.

However, I know that the hon. Gentleman feels that there is another way of dealing with the matter. As we heard, he offered to travel to Pakistan if he believed that that would help and after he had discussed the matter with the various authorities, to try to move this distressing case forward. I want to ensure that he will have access to the appropriate officials so that the implications of his plan can be examined properly. I know that he feels that the welfare of Asma and her children counts most. We share that view deeply. We will attempt to help the hon. Gentleman in whatever way we can. I am not giving him an undertaking that his plan can be agreed by the Foreign Office, but we will look at it closely and sympathetically.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes past Six o'clock.

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[1] *[Official Report, 7 January 2008, Vol. 470, c. 1MC.]*

House of Commons

Monday 17 December 2007

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CHILDREN, SCHOOLS AND FAMILIES

The Secretary of State was asked—

Education Leaving Age

1. **Sarah McCarthy-Fry** (Portsmouth, North) (Lab/Co-op): What progress he has made on plans to raise the education leaving age to 18 years. [174103]

The Secretary of State for Children, Schools and Families (Ed Balls): May I take this opportunity, on behalf of my ministerial team, to wish you, your staff and all Members of this House a very merry Christmas, Mr. Speaker, on this cold and wintry day?

We have introduced the Education and Skills Bill to legislate to raise the participation age, so that all young people continue in education or training until 18 from 2015. The Second Reading debate is now scheduled for mid-January.

Sarah McCarthy-Fry: In my constituency we have a lot of looked-after children, and people who have been in care are disproportionately less likely to stay on in education past the age of 16. Does my right hon. Friend agree that raising the participation age to 18 will ensure that those young people, who do not have the advantage of a secure family background—or of having their name put down for Eton from birth—will get the education, training and skills that they need?

Ed Balls: In the cohort of 10 and 11-year-olds in year six, there are 5,000 children in care. On present trends, those young people would be much more likely to be out of education, employment or training when they reach 16 than the rest of the population—about four times as likely. That is why it is so important that we do everything we can between now and 2013, when this legislation kicks in, to ensure that such young people have opportunities for work and training or to stay in school or college. Giving opportunities to them is a key priority for this Department, and for the Children and Young Persons Bill.

Sir Patrick Cormack (South Staffordshire) (Con): Does the Secretary of State accept that there is little point in encouraging, let alone compelling, people to stay at school until 18 unless there is adequate tuition and guidance in the crafts? There are many young people who will never have an academic ambition but who can become very fine craftsmen and prepare for a proper apprenticeship.

Ed Balls: The hon. Gentleman is absolutely right to say that we will not fulfil our ambitions unless we make sure that school, college or an apprenticeship is an offer available to every young person. That is why we are legislating in the Education and Skills Bill to give every 16 and 17-year-old a right to an apprenticeship, and why we have increased the number of apprenticeships by more than 100,000 and will double them again by 2013. That is why the Conservative party is wrong to call the Bill a stunt, when in fact it will do precisely what the hon. Gentleman wants, which is to give opportunities to the young people who need them.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree, however, that this is not a "Staying on in Schools" Bill? It is about staying on in training and education, and a whole variety of things that young people can do to get the right skills for the modern economy. It is quite a long time until 2013 and 2015, and my right hon. Friend has just wished you and everyone else a merry Christmas, Mr. Speaker. In the spirit of Christmas, can we not do something for these young people faster than by 2013 and 2015?

Ed Balls: But we are, and we will progressively do more between now and 2013, when the legislation comes into effect. A few weeks ago, I extended the availability of education maintenance allowances to young people on entry to employment courses. In our children's plan, we introduced last week a new scheme called "entry to learning", precisely to ensure that young people who could benefit from apprenticeships if they had the qualifications to start those courses have indeed got them. That is why it is right that we do more now and in the coming years to ensure that by 2013, when the legislation comes into effect, every young person can benefit from the new opportunities on offer.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): How will young people in the Berwick area be compelled to attend courses when the nearest further education college is 50 miles away, when there is only one high school, and when those who stay on at school beyond 16 are charged £360 a year for transport by the Labour council?

Ed Balls: The important thing to ensure is that schools and colleges in that area have the support that they need. We will need to look at transport in rural areas, as I have said in past discussions on this issue, to make sure that when we say that there is an opportunity for every young person, those opportunities exist and are real. There will be an obligation on local government to make sure that the opportunities are real and can be taken advantage of. The right hon. Gentleman is right: we will need to look at transport as part of those discussions.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): My right hon. Friend will know that in the past three years, in Barnsley the number of students taking modern apprenticeships has gone up by some 167 per cent., and in Doncaster by some 150 per cent. However, can he tell the House what role the new 14-to-19 diplomas will play in improving the vocational education base for young people?

Ed Balls: The diplomas will ensure that from the age of 14 young people in schools and colleges can study the combination of theory and practice that they need to move on to an apprenticeship or to university. It is important that we ensure that the curriculum engages and challenges young people, so that they want to stay in school or college and do well by their talents. The diplomas that we are introducing will be a real step forward for those young people's learning, and will ensure that young people in my hon. Friend's constituency who want to benefit from an apprenticeship will reach 16 having been given the learning that they need to do so.

International Comparisons

2. **Mr. Mark Harper** (Forest of Dean) (Con): What international comparative assessments of school performance he has commissioned or evaluated in the last 12 months. [174105]

9. **Mr. Philip Hollobone** (Kettering) (Con): If he will take steps to improve literacy levels in England against international benchmarks. [174112]

The Minister for Schools and Learners (Jim Knight): England has participated in two recent international comparative studies: PIRLS, the progress in international reading literacy study, which looks at 10-year-olds' reading attainment; and PISA, the programme for international student assessment, which is on 15-year-olds' attainment in science, with limited surveys of reading and mathematics. Both enjoyed much higher levels of participation by other countries than previous studies. Independent analysis shows that educational standards in this country continue to improve. We have moved from below average to above average, but, as we said in the children's plan, we have further to go to achieve world-class standards. We have also recently commissioned a piece of research to benchmark our primary curriculum against high-performing countries in literacy, numeracy and science, the results of which will feed in to the review of the primary curriculum.

Mr. Harper: The OECD international study, which the Minister mentioned, showed that the UK had fallen from eighth to 24th in the maths league table. Why is that?

Jim Knight: The OECD's study, and a more complete report that it produced a month ago, said that educational performance in England remained very strong. The OECD's PISA study said that the sampling for reading and maths was too small to use for comparative purposes. The science study, in which England's 15-year-olds were found to be among the best in the world, should be the baseline for future comparison, not historical comparison.

Mr. Hollobone: The English language is this country's greatest export, but our decline down the international league tables for literacy shows that hundreds of millions of children around the world are learning to read and write English better than children in our own country. Is that not a source of national shame? What is the Minister going to do about it?

Jim Knight: Naturally, we are doing a number of things to improve literacy standards in this country, but it is simply wrong to suggest that they are falling; they are continuing to improve. It is great that other countries are improving their literacy standards too, and as I said, more of them are entering the comparative studies. It has been said that one of the studies of literacy should not be used for comparative purposes because the sample was too small, and the basis of most of this country's fall in the other was the fact that higher attaining readers are not spending enough time reading, and are being too distracted by computer games. Society as a whole needs to tackle that together.

Ms Sally Keeble (Northampton, North) (Lab): On performance, my hon. Friend probably knows that my county has encountered substantial problems in schools, despite recent improvements. Will he say how he will work with some of the underperforming education authorities to ensure real sustained improvement in schools, so that children can benefit from the increased investment that has been made?

Jim Knight: My hon. Friend is right to say that we need to share responsibility for improvements in literacy with local authorities. National strategies resource is out there working both with local authorities and directly with schools to improve literacy, and to ensure that the findings of Sir Jim Rose's first review, which promoted the use of synthetic phonics, are used effectively throughout our primary schools so that we can continue to raise standards.

Rob Marris (Wolverhampton, South-West) (Lab): May I urge my hon. Friend to be very cautious when looking at international comparisons? A couple of weeks ago, UNICEF published a report indicating that child poverty in Canada had worsened by 20 per cent. since 1989. Upon investigation, it turned out that a UNICEF official admitted that some of the figures were made up, and further investigation showed that there had been no marked change in child poverty in Canada since 1989. So will my hon. Friend be careful when examining statistics from bodies such as UNICEF?

Jim Knight: We do proceed with a certain amount of caution, but we do decide to participate in some of these projects. We need to take forward certain things as a result of the comparative studies—for example, the very large gap in performance between the lower achieving and the highest achieving pupils in this country. Such a gap seems to be more particular to the UK than to elsewhere, and that fact lies behind a lot of the policies in our children's plan. Concerns about such studies also exist, and we are taking some of those up with the responsible bodies. For example, it is odd that one week's literacy study shows one country at the top, whereas the following week's literacy study, carried out by a different organisation, shows that country way below the United Kingdom, in the second division.

Bob Spink (Castle Point) (Con): How can we ensure that specific science subjects are taught more in our secondary schools by teachers who are specifically qualified in those subjects?

Jim Knight: We have had a problem for some time with the number of specialist scientists teaching science, but we are starting to see an improvement. The last time we had oral questions, I announced that, for the first time, we had exceeded 3,000 for the number of new recruits who are specialist scientists. We are also developing a conversion qualification for biologists, because we have plenty of them, so that they can change to physics and chemistry, for which there are shortages. We are doing a number of things, and things are moving in the right direction.

Jon Trickett (Hemsworth) (Lab): Has my hon. Friend noticed the PISA report on science competencies, which concluded that the governance of schools, especially autonomy, had little effect on educational outcome? What has a real impact is the steepness of socio-economic inequalities. Therefore, will my hon. Friend move the agenda on from school governance to offering opportunity to those at the bottom of the socio-economic ladder, who struggle so much to attain the educational level of the rest of the population?

Jim Knight: My hon. Friend will be pleased that the children's plan shows that we unambiguously set out to narrow the attainment gaps between those from advantaged areas and those from disadvantaged areas. He is right to highlight that aim. However, that is not to say that governance does not have a role. The most important factor in achieving educational success is to combine the engagement of parents with their child's learning, high-quality teaching driven by good leadership, and good leadership driven by strong governance. That is the model of school improvement that we want, so that we can narrow the attainment gap that my hon. Friend rightly points out.

Michael Gove (Surrey Heath) (Con): May I join the Secretary of State in wishing you, Mr. Speaker, and every Member of the House a merry Christmas?

Among the torrent of Christmas cards that the Department will be receiving, last Friday the Secretary of State received a letter from more than 500 authors, co-ordinated by Channel 4, pointing out that 10 years after the Government came to power, our literacy performance was plummeting. As Ian Rankin said,

> "this shouldn't be happening in the UK"

They can have 100 per cent. literacy in villages in Kerala, in one of the most deprived parts of India, but here the Government are going backwards. New targets published under our new Prime Minister show that the Government have actually dropped their more ambitious literacy plans and are now happy to accept that one in six children will leave primary school without being able to read ploperly—I mean properly. *[Laughter.]* It is terrible—it is happening everywhere! Why is the Government's approach to literacy leaving children unable to read, and the nation's authors in despair?

Jim Knight: I am not sure whether the hon. Gentleman is on the Prime Minister's Christmas card list, but to help launch the national year of reading next year the Prime Minister has commissioned an illustration for the front of his Christmas card from Shirley Hughes, an esteemed children's author. I am sure that that will set the national year of reading off to a good start. The national year of reading is an important initiative to encourage the whole country to read, and especially to read with their children.

The hon. Gentleman mentions Channel 4, and I was interested to read the Channel 4 fact-check on his claims that standards in literacy are declining, informed by the OECD report that we are talking about. It states that

> "the OECD say that the results do not show any evidence of a real decline in standards."

It also says that he has

> "failed his exams"

and that

> "a man of Gove's legendary intelligence really has no excuse for trotting out these obviously misleading stats one more time."

Michael Gove: It is interesting that the Minister is now rubbishing the OECD figures, although in 2000 his own Government used those figures to claim, "We are the stars." The Government quote those figures liberally when they are convenient, but when they are inconvenient, they run away from the truth. What the Minister did not tell us is that in his children's plan published last week there is not a single mention of the tried-and-tested method of teaching reading which works—synthetic phonics. There is not a single mention of that, two years after the Government appeared to accept Sir Jim Rose's report; synthetic phonics has been buried under a torrent of strategies on rusks and gloop from the Secretary of State. Should not Ministers, instead of caving in to the educational establishment by getting rid of rigorous testing, simply concentrate on getting children to read?

Jim Knight: Certainly the hon. Gentleman should listen more carefully. I was not rubbishing the OECD; that was the OECD rubbishing him. Researchers from the OECD itself said that

> "the results do not show any evidence of a real decline in standards."

In terms of the other stuff that the hon. Gentleman said—*[Interruption.]* It really was "gloop", which is the word that he likes to use. The importance that we place on Jim Rose's synthetic phonics is embedded in the fact that we have asked Jim Rose himself to carry out the review of the primary curriculum, which will ensure that the work he did on synthetic phonics will be carried out and integrated into a reformed primary curriculum.

Martin Linton (Battersea) (Lab): Is my hon. Friend aware that what the international comparative assessments agree on is that it is a profoundly mistaken idea to force children to learn to read at the age of five, and even more so to drag them off to primary schools a few days after their fourth birthday? The assessments show that the countries that start formal education at the later age of seven are those that do best in the international comparisons.

Jim Knight: My hon. Friend is right to suggest that we should not be too rigid about what we do for every child. We should ensure that every child has momentum in their learning and that we have more personalised learning. For example, he will be pleased to see that on page 71 of the children's plan there is an explicit mention of phonics. That does not bear out the reading of the hon. Member for Surrey Heath (Michael Gove), who perhaps needs to read paragraph 3.85, which says:

> "The review will build on Sir Jim Rose's review of the importance of phonics in teaching children to read".

Child Employment

3. **Lorely Burt** (Solihull) (LD): What steps he is taking to review and update child employment legislation and guidance. [174106]

The Minister for Children, Young People and Families (Beverley Hughes): Child employment legislation is set out mainly in the Children and Young Persons Act 1933. However, that legislation has subsequently been amended and reviewed and we believe that the current law is more than adequate and not in need of review. But I agree that new guidance is necessary to support employers, young people and those advising them in understanding the law. As the hon. Lady may know, we have undertaken to publish improved best practice guidance next year.

Lorely Burt: The Minister will be aware that over the past four years, the number of children injured at work has more than doubled. Although having a job while at school is an excellent way for young people to learn new skills and earn money at the same time, much of the legislation, as the Minister said, dates back to the 1930s, and I would assert that it is now chaotic and unworkable. Will she commit to undertaking a comprehensive review of the legislation to ensure that it protects children properly and is not over-bureaucratic for employers?

Beverley Hughes: There is the rub—getting the balance between the two objectives. Of course the safety of children is of paramount importance, and I am satisfied that the law is strong enough and is workable. However, we need to set out clearly for local authorities, employers and parents themselves exactly how to use the law effectively. Clearly it is unacceptable for any child to be injured at work, but very small numbers of them are injured at work compared with the thousands and thousands of injuries to children aged under 16 who are not at work. It is important to keep the issue in perspective. However, I am happy to agree that next year we will produce the best guidance we can, to make absolutely crystal clear to people what the law is and how they can use it effectively.

Unauthorised Absences

4. **Andrew Rosindell** (Romford) (Con): What steps his Department is taking to reduce levels of unauthorised absences from schools. [174107]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan): Our focus is on reducing all forms of unnecessary and avoidable absence and on reducing in particular the number of persistent absentees, with very high levels of absence. We provide support and challenge to local authorities where these problems are concentrated. Our success is demonstrated by the record low rates of absence last year and by the 10 per cent. reduction in the number of persistent absentees.

Andrew Rosindell: The Minister will understand that this is a very serious and worrying problem in many parts of the country. Will he tell us how many parents have been fined or sent to jail for persistently not ensuring that their children attend school?

Kevin Brennan: I do not have that figure to hand, but there have been prosecutions, as the hon. Gentleman knows. There is also the provision to have parental contracts and, where necessary, parental orders as well, on attendance at school. The recent figures show that those are being used quite widely by local authorities.

Mr. Kevan Jones (North Durham) (Lab): Last Friday, I had the privilege of visiting Pelton Roseberry sports college in my constituency. Will my hon. Friend congratulate the head and staff there, who are taking a zero-tolerance approach to unauthorised absences? Their main weapon is to have tailor-made courses for individual students and exciting vocational training, which is leading to a lot more kids staying in school and not dropping out of education.

Kevin Brennan: I congratulate my hon. Friend on undertaking that visit. By having a stronger policy on unauthorised absence, the principal or head teacher of that establishment may well find that the figures for unauthorised absence go up, because it is not being tolerated. Any Member would congratulate the head teacher on taking that stance. That is why the Opposition should congratulate the Government on doing exactly the same thing, and bearing down on overall absence.

Mr. John Redwood (Wokingham) (Con): Should a boy who decides to be absent from the school photograph but then turns up four hours later be punished for the unauthorised absence, or rewarded for thinking better of it?

Kevin Brennan: The main problem is that the Opposition deliberately try to use the figures for unauthorised absence as a measure of truancy. I do not think that they actually believe that the two things are the same, but if they do, I wish that they would say so explicitly and publicly, so that they could be subject to the ridicule of every head teacher in the land.

David Taylor (North-West Leicestershire) (Lab/Co-op): One of the most widely experienced phenomena in primary schools, in particular, is parentally condoned absence at certain times of year. How do the Government intend to respond to that growing problem?

Kevin Brennan: My hon. Friend is correct. It is a worrying fact that many children who are away from school and totting up unauthorised absences are with their parents, or absent with their parents' permission. It is right for head teachers to refuse to grant permission for unauthorised absence in those circumstances. That is why the Department has decided to bear down on the figures for persistent absence and overall absence. I previously told the House that 75,000 more children were in school each day than in 1997, but I am afraid that that was slightly incorrect: the correct figure is 76,000.

Sammy Wilson (East Antrim) (DUP): We welcome the fact that resources are being put into ensuring that children take up the educational opportunities available to them. However, as persistent absences continue, despite the additional resources and sanctions available to schools and education authorities to deal with them, how does the Minister believe that those who remain absent from school while they are already supposed to be there are going to be enticed into his plans for staying on at school until the age of 18?

Kevin Brennan: We are having some success with persistently absent pupils—in other words, pupils who miss more than half a term of school a year. We have targeted 436 schools in an attempt to reduce persistent absence. In those schools, persistent absence has been reduced by 20 per cent. Overall in secondary schools in England, it has been reduced by 10 per cent. We are having successes. We are also confident that by the time we raise the education leaving age, there will be pathways available to young people, in school or college or via an apprenticeship or other form of training, that will constitute an attractive offer.

Tim Loughton (East Worthing and Shoreham) (Con): Why should anybody believe what the Government say about truancy given that by any measure, including their own, the figures have mushroomed? If they are so convinced that they have done a good job, why did they quietly abandon the truancy targets in the public service agreement targets published in October? Can the Minister explain why the Government's so-called effective tool of truancy sweeps saw the number of children being stopped plummet from 20,554 to 11,713 between 2002 and 2006, while the number of children playing truant rocketed over the same period?

Kevin Brennan: Of course that is absolute nonsense. The number of children playing truant has not rocketed. The hon. Gentleman knows that he is conflating unauthorised absences and truancy. I could abolish unauthorised absence tomorrow simply by telling head teachers to authorise all absences, and if I did that, he would rightly criticise me. At some stage, he needs to say at the Dispatch Box that he believes that unauthorised absence and truancy are one and the same thing—and if he does that, he will open himself up to ridicule from every head teacher in the country.

Orphaned Pupils

5. **Philip Davies** (Shipley) (Con): What financial support his Department provides to orphaned school pupils. [174108]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan): The Children Act 1989 gives local authorities a duty to provide accommodation for any child under 16 who requires accommodation because no person has parental responsibility for him or her. This is defined as being looked after by that local authority. Local authorities have a duty to safeguard and promote the welfare of children whom they look after. For those aged 16 to 19, my Department provides financial support to ensure that finance is not a barrier to learning. Support for living costs for this age group is provided through the benefits system.

Philip Davies: The Minister is aware of my constituent Kirsty Oldfield, who tragically lost both her parents in quick succession and ended up being unable to afford to stay on in education. As the Government are preparing to spend millions of pounds providing education for people who do not want it, should not people who find themselves in Kirsty's situation be given direct support by his Department, rather than having to navigate the complicated benefits system, being advised to get pregnant, or relying on the generosity of the general public to fund their education?

Kevin Brennan: I suspect that there are not many things on which the hon. Gentleman and I agree—but one of them is that if his constituent has been advised as has been reported, that is completely and utterly unprofessional and unacceptable.

We are looking at ways of reviewing the support for young people in the position of the hon. Gentleman's constituent—and I extend my sympathies to her for the personal circumstances in which she has found herself. Of course, during the process of developing the extension of the education leaving age from 16 to 19, we will be looking even more closely at how we can do that.

Sex Education

7. **Jo Swinson** (East Dunbartonshire) (LD): What plans he has for the future of sex education in schools; and if he will make a statement. [174110]

The Minister for Schools and Learners (Jim Knight): As part of the children's plan, we have given a commitment to reviewing best practice in effective sex and relationship education and how that is delivered in schools. We have listened to young people, principally through the Youth Parliament, and recognise that many feel that they do not currently have the knowledge that they need to make safe and responsible choices about relationships and sexual health. We will involve young people fully in the review, to ensure that future sex and relationship education meets their needs better.

Jo Swinson: When half of young women report that they know of at least one girl who has been pressurised into having sex with her boyfriend, surely the Minister agrees that it has never been more important for every young person to have access to high-quality education about sex and relationships. The review is welcome, but if he agrees that that is important, will he make it statutory?

Jim Knight: I have listened carefully to the arguments that have been put to us, principally by the Youth Parliament and also by others, on making personal, social and health education—the piece of the curriculum through which sex and relationship education is delivered—statutory. Sex education is statutory, but the relationship side is not. Ofsted has told us that too much time and effort have been spent discussing whether PSHE should be a statutory subject. Making something statutory does not ensure that it is provided effectively—or, indeed, at all. The focus of the review must be the quality of what is delivered and ensuring that there is consistency. Once the new secondary curriculum is in place—it starts in September 2008 in England—we might be able to revisit the question of the statutory nature of PSHE. For now, however, our focus must be on what both the hon. Lady and I want: better and more consistent sex and relationship education for every child in this country.

Mr. Anthony Steen (Totnes) (Con): Does the Minister agree that sex education should include awareness-raising for young children and young people who are at risk of being groomed for prostitution and the internal trafficking trade? That should be part of the curriculum in every school in this country.

Jim Knight: I find myself in the surprising position of agreeing with the hon. Gentleman. It is important that we raise awareness of those serious issues among young people, through relationship and sex education and through citizenship. Recently, I was privileged to attend an award ceremony that came on the back of the bicentenary of the abolition of the slave trade; it followed a competition that we part-sponsored to encourage schools to do work on subjects relating to abolition. One of the subjects that was talked about was human trafficking, particularly of children and sex workers. I was pleased to see that in some cases—through citizenship, in that case—awareness of those issues is already being raised.

Respite Care

8. **Mr. Gordon Marsden** (Blackpool, South) (Lab): What plans he has to increase the provision of short breaks for carers of children with disabilities. [174111]

The Secretary of State for Children, Schools and Families (Ed Balls): Our plan is radically to transform the provision of short breaks for disabled children and their families over the next few years. We are setting aside £280 million of revenue funding for short breaks between now and 2011. Last week, under the children's plan, we announced a further £90 million in capital to provide additional equipment, adaptations and buildings to support short break provision.

Mr. Marsden: I know the passion that my right hon. Friend brings to this matter and I wholeheartedly welcome what he has said, but may I bring to his attention the work of the Family Holiday Association, which takes hundreds of families every year on short breaks to seaside and coastal towns? I suggest that now is the time to consider the 2.5 million children in families who cannot even afford a day trip, and to consider whether some of the measures could be extended to include the FHA and co-operation with other Departments.

Ed Balls: I know that my hon. Friend brings a passion for Blackpool to the Chamber. The local authority in Blackpool—a destination for short breaks and day trips—has been working very hard to improve its provision for disabled children and their families. That is exactly what we want from local authorities, and that is the sort of leadership that we are looking for. In the first year of our funding—more than £300 million over three years—we will seek in pilots to support innovative approaches, such as those that Blackpool is taking, to provide the support and respite opportunities that disabled children and their families so badly need.

Tony Baldry (Banbury) (Con): With respect, the Secretary of State slightly ducked the question asked by the hon. Member for Blackpool, South (Mr. Marsden). The money has to be spent; charities such as the Family Holiday Association do brilliant work and they are already there. Will his Department work with organisations such as the FHA, which do brilliant work to help families who are experiencing social exclusion, on spending some of the money to make sure that those families get the short breaks that they need?

Ed Balls: Of course we will, and we will encourage local authorities across the country to make sure that, in using the money, they work closely with the voluntary sector to ensure that families get the support they need. Last week, I also announced an extension of the work of the family fund to 16 and 17-year-olds, with £8 million of extra spending. That will enable those young people to get support, often from the voluntary sector and organisations such as the one that the hon. Gentleman mentioned. Whether it is a day trip, one day off a week, or more extensive, longer breaks, it is important that we provide disabled children and their families with the tailored support they need. In many parts of the country, the voluntary sector is taking a lead in providing that, and we must make sure that it is properly supported, including with funding, so that it can carry on that important work.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Following on from that answer, the Secretary of State will be aware that there are many good examples of short breaks for families with children with disability, but there are also instances in which parents do not feel reassured that the individuals who will be looking after their children have the necessary training. Will he look into the training of those who will be looking after children with disability and ensure that there is a variety of settings, so that the family can be reassured and the child can be looked after in an appropriate placement?

Ed Balls: My hon. Friend is quite right. Under her leadership, last year's consultation with disabled families, which took place before the conclusion of our review, highlighted the fact that, particularly for families with a child with multiple disabilities, often the problem is not the availability of care and respite breaks, but the ability of the respite care setting to meet the needs of the child. Sometimes the issue is capital needs, which is why the extra £90 million will help us to provide the kind of hoists and the support needed for particular children. However, the issue is also the quality and training of staff. It is vital that parents have confidence that the respite care will genuinely give them a break. They can have that break only if they are confident that the staff can do the job for them while they are away. That is why training will be an important part of our work for the next three years.

Nurseries

10. **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): What research his Department has carried out on the role of local authority day nurseries. [174113]

The Minister for Children, Young People and Families (Beverley Hughes): Local authority day nurseries play an important role in our diverse child care market, including delivery of the free early education entitlement and securing sufficient good-quality child care. The Department's annual child care and early years providers survey collects information from providers, including local authorities, on the number of places, staff characteristics, qualifications and income. The 2006 survey showed that there were 700 local authority day nurseries providing a total of 30,600 child care places.

Dr. Starkey: Parents in Milton Keynes value the council's eight day nurseries so highly that they have just mounted a successful campaign that forced the Liberal Democrat-controlled council to withdraw its proposals to close some of them. Will the Minister join me in congratulating the parents on their campaign, and confirm that it is entirely for Milton Keynes council to decide on the future role of those nurseries and on the priority that it chooses to give them?

Beverley Hughes: I do congratulate the parents, and my hon. Friend on her role in supporting them. I find it extraordinary that the council considered that. As she knows, from April next year every local authority has a duty to ensure that there is sufficient child care of different types to meet the needs of parents in its area, so every authority should be assessing its supply and the demand from parents for additional supply and working towards matching demand and supply. It is extraordinary to be thinking about closing provision when the council should be assessing whether it has enough.

Children's Plan

11. **Mr. David Kidney** (Stafford) (Lab): Whether the children's plan includes measures to support parents. [174115]

The Minister for Children, Young People and Families (Beverley Hughes): Supporting parents is central to the children's plan. Building on the recent expansion of parent support advisers in school, we announced funding for two expert parent advisers for each local authority and made the commitment to introduce personal progress records for parents on their child's development from birth right through primary education. The plan includes new work to support fathers, to help families through breakdown and to encourage parental involvement, including expanding family learning. For families with the greatest needs, there is also £90 million capital for short breaks for disabled children, which we have just heard about, and provision for more outreach work from Sure Start children's centres.

Mr. Kidney: That is a very welcome answer. Some support for some parents is available from a wide variety of private, voluntary and independent organisations, as well as the statutory sector. In Staffordshire, the county council and I are trying to join all those together to make an offer of a universal service, available to all parents. Does the children's plan encourage that? Is there any help that the Department can give us as we try to achieve that aim?

Beverley Hughes: I thank my hon. Friend for the incredible work that he does to support the needs of families and make sure that they are included in Government policy, both nationally and in his own area. It is precisely that approach that we want to encourage. It is important that services for parents are universal, so that there is no stigma attached to a parent who says at one time or another that they want some support. We all need support at some time as parents. Through a universal offer, everybody will get the help that they need, but through a universal offer more help will be able to be given to parents who may be struggling and whose children need it more. I would be happy to talk to my hon. Friend about Staffordshire's proposals.

Margaret Moran (Luton, South) (Lab): Is my right hon. Friend aware that some of the most astonishing support for parents in Luton comes through the family workers attached to our children's centre, who offer one-stop support to families, often in crisis situations, and encourage family learning and increasing literacy? Will she consider extending the use of family workers across all schools, as I saw, for example, last week at Hart Hill nursery children's centre—

Mr. Speaker: Order. We must keep supplementary questions brief.

Beverley Hughes: I am very aware of the work done by family workers, not only in Luton but in children's centres in various parts of the country. It is an important type of provision because it enables relationships to be built up with parents, as my hon. Friend rightly says. That means that parents are more likely to come in and ask for support when they need it, and that benefits the children as well as the parents. I am happy to support the work that Luton is doing in that regard.

Schools (Swindon)

12. **Anne Snelgrove** (South Swindon) (Lab): What plans there are to rebuild and refurbish schools in Swindon. [174116]

The Minister for Schools and Learners (Jim Knight): Planning investment in schools is a local matter. In October, we announced the allocation of £52.8 million to Swindon borough council from 2008 to 2011 to support improvement to its school buildings and facilities. That included £14.9 million to start the primary capital programme. We will in due course discuss with Swindon its primary school plans and those for its secondary schools when it is prioritised in the building schools for the future programme. The Government will, of course, deliver in full on that programme to my hon. Friend's constituents.

Anne Snelgrove: Will my hon. Friend confirm that the Government will not suspend the building schools for the future programme? I am particularly concerned about Commonweal secondary school in my constituency —an excellent school that is struggling in difficult buildings that have twice been condemned by Ofsted. Will my hon. Friend give that school some comfort?

Jim Knight: The Under-Secretary of State for Children, Schools and Families, my hon. Friend the Member for Cardiff, West (Kevin Brennan), visited that school recently. He has told me not only about the good work going on there and the value placed on the school by the local community, but about the state of the buildings. That is why it is of particular concern that the Conservative party plans to cut the building schools for the future programme by £4.5 billion. That, of course, would put the development of such schools at risk.

Several hon. Members *rose*—

Mr. Speaker: Order. We come to topical questions to the Secretary of State for Children, Schools and Families. May I point out that two Members on the Opposition Front Bench have put down their names to intervene in these topical questions? In future, I shall expect only one to do so. However, this time I shall let the matter go, given that it is Christmas.

Topical Questions

T1. [174093] **Sarah McCarthy-Fry** (Portsmouth, North) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

The Secretary of State for Children, Schools and Families (Ed Balls): This morning, the Secretary of State for Innovation, Universities and Skills and I laid before the House a consultation document on our proposals for a new independent regulator of qualifications and tests and on reform of the Qualifications and Curriculum Authority. The regulator will report directly to Parliament, not through Ministers. We intend to legislate following the consultation. We will establish an interim regulator in the spring, prior to legislation.

In addition, this morning the Minister for Schools and Learners published an evaluation report on the building schools for the future programme, and I announced in a written statement to the House details of about 200 school building projects that will benefit from an additional £100 million in the next three years for energy efficiency. The intention is to reduce carbon emissions on the way towards our goal, announced in the children's plan, for all new schools to be zero-carbon by 2016.

Sarah McCarthy-Fry: All too often, vocational skills are not awarded the same respect as academic skills are, despite their value to the British economy. I hope that our new diplomas will help to bridge that divide, but what more does my right hon. Friend think we can do to tackle prejudiced opinion and downright snobbery from people who seem to think that vocational skills are inferior to academic ones?

Ed Balls: There is a lot more that we can do. Tomorrow, the Minister for Schools and Learners will make an announcement about diplomas. It will be very significant and put diplomas on an even stronger footing for the future.

We have been working hard with business and universities to make sure that diplomas are, for the first time in our history, able to bridge that academic and vocational divide. Indeed, the CBI said that it welcomed the diplomas because they were designed to bridge theoretical work and the world of work in a rigorous fashion. However, at the same time we are told that the diplomas are designed to subvert A-levels and that instead of weakening the academic gold standard, we should concentrate only on diplomas for vocational learning. That is exactly the sort of two-tier thinking that has held our country back for too long. Under the Labour party, it will be made a thing of the past.

T2. [174094] **Philip Davies** (Shipley) (Con): To promote reading, the Government produced a booklet called "The Family Reading Adventure", which advises parents to read in any language they speak at home. Given the number of schools in Bradford that have a problem with pupils unable to read or speak English to a reasonable standard, will the Secretary of State explain why it does not ask people to read in English? The Secretary of State for Communities and Local Government is forever banging on about the importance of people reading in English.

The Secretary of State for Children, Schools and Families (Ed Balls): The good news is that test results in Bradford are up by 54 per cent. since 1997. It is important that parents read to their children, which they will sometimes do in their first language, but brothers and sisters, too, should be encouraged to read to children in English. One Front Bencher from the hon. Gentleman's party might need some help with reading, given his failure to read the children's plan, which we saw a moment ago.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): I understand that a review is being conducted of the future programme of academies. Can the Secretary of State tell me to whom I should send evidence on that subject and when he intends to publish the outcome?

Ed Balls: I have received a great deal of evidence from my hon. Friend in recent weeks at a number of meetings. I am always happy to receive further evidence from him at any time, and I will ensure that it is passed on to the relevant powers that be.

Mr. David Laws (Yeovil) (LD): Mr. Speaker, may I wish you and other hon. Members a happy Christmas? I do not like to be gloomy on this occasion, but will the Secretary of State explain why the figures last week showed that Britain is bottom of the league table for social mobility? Why has the situation become no better in the past 10 years?

Ed Balls: The fact is that the reforms that we have been putting in place over the past 10 years are designed to ensure that we bridge the gap between poverty and educational achievement in our country. Children who receive free school meals have seen their results rise faster in the past five years than the average child. That shows that reform is working, but there is a long way to go. It will be taken forward only by a Government who are determined to break that link—and such a Government will be found only on the Labour Benches.

T3. [174095] **James Duddridge** ([illegible]chford and Southend, East) (Con): When the Secretary of State announced the brave new world of stage not age testing, why did he fail to admit that one in seven schools in the pilot pulled out because excessive bureaucracy?

The Minister for Schools and Learners (Jim Knight): I think that the hon. Gentleman is referring to a survey carried out by *The Times Educational Supplement*. I gather that a number of schools declined to take part in the survey, so we should treat the figure of one in seven with a degree of caution. The only one in seven figure with which we are familiar is the threat to one in seven secondary schools posed by the Conservative party's plans to cut the building schools for the future programme by £4.5 billion.

T6. [174098] **Andrew Mackinlay** (Thurrock) (Lab): May I ask the Secretary of State when the Labour Government will end the cultural impoverishment of the hundreds of thousands of children who never experience a live performance of opera, ballet or classical music? Is it not important—particularly for a Labour Government—that that should be remedied swiftly? I would like to think that the Government will deal with it expeditiously, with at least one performance for children at primary school and one in each of the three arts for those at secondary school.

The Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan): As we stated in the children's plan, we will work towards ensuring that, no matter where they live or what their background is, all children and young people can get involved in top-quality cultural opportunities in and out of school. We intend to run a series of pilots to look at different approaches in different parts of the country, and to establish a youth culture trust to run the pilots and to promote cultural activities more widely. In the new year, of course, the Government's response to Tony Hall's dance review will be published. I am sure that my hon. Friend looks forward with interest to that response.

Mrs. Maria Miller (Basingstoke) (Con): Free nursery access for two-year-olds in deprived areas was a welcome announcement from the Secretary of State last week, but he will be aware from the recent report received by his Department from Hedra that up to half of private, voluntary and independent nurseries in some areas still cannot provide the free entitlement for three and four-year-olds, because the money that they receive from Government is simply insufficient. Why does the Secretary of State think that so many nurseries are still finding it impossible to make ends meet, and what work has he done to ensure that the situation does not become worse as he extends the entitlement?

The Minister for Children, Young People and Families (Beverley Hughes): If the hon. Lady had read the Hedra report properly, she would have seen that it stated that the £3 billion that the Government have put into the free entitlement is sufficient. The hon. Lady is right to say that some private nurseries in some parts of the country are experiencing difficulties, and there are two reasons for that. First, local authorities need a better way to distribute the money. However, Hedra also said that most private providers need to be more sophisticated in equating prices with costs. They charge the same amount for under-twos as for three and four-year-olds, but if they were to price according to the cost, taking into account the reduced staffing they would need, they would probably be able to pay for their provision with what the local authority gives them. There are tasks for both sides—for local authorities and private providers—but the total quantum of £3 billion is sufficient.

T4. [174096] **Mr. Nigel Evans** (Ribble Valley) (Con): Healthy youngsters have a better chance of getting a good education, and school nurses play a vital role in that. As the Royal College of Nursing has pointed out, school nurses are not just about sick bays and nits; they also deal with drug abuse and child abuse, and even give advice on obesity. With all the pressures that children will face over the next few days, having a school nurse to advise them on obesity will be important. Will the Government give the House an assurance that sufficient funds will be not only made available but actually spent to ensure that all youngsters have access to a school nurse?

The Secretary of State for Children, Schools and Families (Ed Balls): It is a manifesto commitment of ours to deliver that. The money has gone to primary care trusts, and I am working closely with the Secretary of State for Health to make sure that that money gets through. We will ensure that we address the matter in detail in our child health strategy in the spring, and I hope that we will do so to the hon. Gentleman's satisfaction.

T9. [174101] **Mr. Jim Cunningham** (Coventry, South) (Lab): What have the Government done since 1997 to improve literacy rates in the west midlands, nationally and, in particular, in Coventry?

The Secretary of State for Children, Schools and Families (Ed Balls): In my hon. Friend's constituency, the investment that we have put in has delivered a 43 per cent. increase in per pupil funding and resulted in rising standards in English, maths and writing. In Coventry, and in his constituency in particular, maths standards are up to 74 per cent. from 58 per cent. in 1997, and in English they have risen to 71 per cent. from 55 per cent. in 1997. That is not because of what the Government have done; it is because of the hard work of the teachers and of the pupils working hard for their tests. They have shown through their actions that standards in Coventry are rising.

T7. [174099] **Andrew Selous** (South-West Bedfordshire) (Con): In 2005-06, 58,000 school appeals were rejected. All hon. Members will know the heartache that such rejections can cause for the children and parents involved. How can good schools be encouraged to expand, particularly when they have the space to do so, so that they can become more accountable to parents, and not just to politicians?

The Minister for Schools and Learners (Jim Knight): It is important that we allow good schools to expand. We believe that such expansion should be carried out on a managed basis, unlike the Conservatives, who want surplus places to emerge willy-nilly at the expense of rebuilding much needed schools in certain parts of the country, including the hon. Gentleman's own area. We have a policy for the expansion of successful and popular schools. There is a presumption that we will allow that even when it creates surplus places, but it is important that the local authority also has a role in removing surplus places in time.

T10. [174102] **John Mann** (Bassetlaw) (Lab): When a primary school is the worst performing primary school in a local education authority year after year, does the Secretary of State believe that it is his role to intervene directly to sort that school out?

The Secretary of State for Children, Schools and Families (Ed Balls): In the final resort, the answer to that question is yes. First of all, however, it should be the responsibility of the governors—or if not, the local authority—to use their powers to intervene to tackle such failure. If, in the end, the local authority does not do that, I have the powers to intervene and I am happy to use them.

T5. [174097] **Mr. Andrew Robathan** (Blaby) (Con): May I take the Secretary of State back to the plummeting standards of literacy that were identified by my hon. Friend the Member for Surrey Heath (Michael Gove)? Notwithstanding the excellent work done by huge numbers of teachers, increasing numbers of parents are choosing to send their children to schools in the independent sector. Does the Secretary of State not realise that that has nothing to do with prosperity, and everything to do with the declining standards of literacy and other subjects in the state system after 10 years of this Labour Government? If he does not believe that, he should have been listening to the questions that have been asked in the Chamber in the past hour.

The Secretary of State for Children, Schools and Families (Ed Balls): The number of children in private schools is lower than it was in 1991.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): This is a question for the Secretary of State. From September next year, every 14-year-old will have the right to study for the society, health and development diploma if they wish to do so, and from 2009 they will have the right to study for the hair and beauty diploma. Apart from those achieving level 6 in science, however, no student will have the right to study the three separate sciences—physics, chemistry and biology—at GCSE. Does not this confirm the comment by the Nobel laureate Sir Martin Evans that the Government lack an understanding of science and underestimate its importance to society?

The Minister for Schools and Learners (Jim Knight): We entirely reject that. We have a cross-Government strategy in respect of improving science learning in this country. It was published by the Treasury following last year's Budget. As a result of that strategy, we are now increasing the number of specialist science teachers coming into the profession, and we are seeing improvements in the numbers taking science A-levels. At level 3 in schools we have seen, for the first time in many years, increases in the number of pupils taking physics as well as good increases in the numbers taking chemistry and biology. The results are there. We are seeing significant improvements in science learning and the latest PISA—programme for international student assessment—results show that we have the third highest achievement of any country in Europe in science learning for 15-year-olds.

T8. [174100] **Miss Anne McIntosh** (Vale of York) (Con): During 2008, the Government are to make changes to key stage 3 and GCSE courses in key stage 4, and to AS levels and AS syllabuses, as well as introducing diplomas. Is it right to cut the budget by 1 per cent for efficiency savings?

The Secretary of State for Children, Schools and Families (Ed Balls): It is very important that we deliver efficiency savings to release resources to support teachers delivering these reforms. I ask the hon. Lady to join me in congratulating the Joseph Rowntree school in her constituency, which has today benefited from the £110 million that I have allocated to support zero-carbon schools. I hope that the school spends the money well.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): The Secretary of State will be aware that a disparaging reference was made earlier to homes in which English is not spoken. It is extremely desirable that all our residents should learn to speak English, but it is worth noting that some of the best achieving children in our schools are those for whom English is not their first language, and that some of the worst achieving children are those from homes in which nothing but English is spoken.

Ed Balls: My hon. Friend is absolutely right, which is why we put in more money to help schools provide extra help for those children. When I spent a year looking into reading in a London primary school, I found that it was often the case that children could not read at home because English was not their first language, but they received extra help through the support of brothers and sisters. My hon. Friend is right that this is a priority, which is why we are investing extra money to give extra support to today's children.

European Council (Brussels)

3.31 pm

The Prime Minister (Mr. Gordon Brown): With permission, I would like to make a statement about the European Council held in Brussels on 14 December. It focused on two major concerns: first, the reforms that Europe must make to meet and master the global challenges we face with competitiveness, employment, secure energy and climate change; and, secondly, issues of security, in particular in Kosovo, Iran and Burma, that we must confront together.

I start with the most immediate concern facing the summit: the best way to bring about a satisfactory resolution to the status of Kosovo. Kosovo is the last remaining unresolved issue from the violent break-up of the former Yugoslavia, and in the light of recent failures by the parties in the Troika process to find a negotiated way forward, the European Council accepted its responsibility for joint European action and agreed the importance of urgently moving towards a settlement. It is to the credit of all parties in the dispute that, even when faced with conflicting positions, the region remains at peace. As the European Council conclusions noted, it is essential that this commitment to peace is maintained.

The principles of our approach are, first, that Europe take seriously its special responsibility for the stability and security of the Balkans region. Indeed, it is also thanks to the sustained efforts of NATO troops and the diplomacy of the United Nations and the European Union that a safe and secure environment has been maintained. Secondly, however, we were agreed that the status quo is unsustainable and that we needed to move towards a settlement that ensures what the European Council called a "stable, democratic, multi-ethnic Kosovo committed to the rule of law, and to the protection of minorities and of cultural and religious heritage".

Thirdly, after a detailed discussion at the Council, we were also wholly united in agreeing that European engagement should move to a new level. We agreed in principle and stated our readiness to deploy a European security and defence policy policing and rule-of-law mission to Kosovo. That will consist of a multinational mission of around 1,800 policemen and judicial officials, of whom I can confirm that the UK will contribute around 80, including its deputy head, Roy Reeve. European Foreign Ministers will confirm the detailed arrangements for this mission shortly.

Fourthly, we also reaffirmed that a stable and prosperous Serbia fully integrated into Europe is important for the stability of the region. The Council encouraged Serbia to meet the necessary conditions to allow signature of its stabilisation and association agreement with the EU and we expressed our confidence that Serbia has the capacity to make rapid progress subsequently towards candidate status. The conclusions of the meeting of European Foreign Ministers also reiterated the European Union's support for enlargement more generally. We look forward to recognising the progress made by both Croatia and Turkey at this week's accession conference in Brussels.

The UN Security Council will discuss the issue of Kosovo with representatives from both Belgrade and Pristina on 19 December. The aim is to give Russia an opportunity to accept a consensus on the way forward. If that proves impossible, we—Britain—have always been clear that the comprehensive proposal put forward by the UN special envoy, based on supervised independence for Kosovo, represents the best way forward. While we are rightly focused on the immediate priority of bringing the status process through to completion in an orderly and managed way, the European Council also agreed that it is important that we address the long-term challenge of ensuring Kosovo's future economic and political viability. I welcome the commitment made by the European Union, to assist Kosovo's economic and political development, for a donors conference to follow shortly after a status settlement.

The Council also discussed Iran. There was agreement on a united European approach. Again, the power we wield working together with all the European Union is greater than if we act on our own.

I have made it clear repeatedly that Iran remains in breach of its international obligations. In September, Foreign Ministers agreed that unless there were positive outcomes from Solana and the International Atomic Energy Agency's discussions with Iran, we would seek tougher sanctions at the UN. The latest assessment is that sufficient progress has not been made.

The European Council conclusions call on Iran to provide full, clear and credible answers to the IAEA, and to resolve all questions concerning its nuclear activities. We reiterated our support for a new UN resolution as soon as possible, and agreed to decide on new measures that the EU might have to take to resolve the situation at the January meeting of Foreign Ministers. Those should complement UN measures, and not substitute for them if the Security Council cannot reach agreement.

Iran has a choice: confrontation with the international community leading to a tightening of sanctions; or, if it changes its approach, a transformed relationship with the world from which all would benefit.

The EU also reaffirmed its deep concern about the unacceptable situation in Burma, and made it clear that if there is no change in the Burmese regime's approach to political negotiations and basic political freedoms, we stand ready to review, amend and—if necessary—further reinforce restrictive measures against the Burmese Government. We also reaffirmed the important role of China, India and the Association of South East Asian Nations in actively supporting the UN's efforts to establish an inclusive political process leading to genuine national reconciliation.

For our part we believe that the forthcoming visit of Professor Gambari, the UN envoy, is critical. It is essential that the Burmese Government meet the demands set out in the UN Security Council statement: to release all political prisoners; to create the conditions for political dialogue, including relaxation of restrictions on Aung San Suu Kyi; to allow full co-operation with Gambari; to address human rights concerns; and to begin a genuine and inclusive process of dialogue and national reconciliation with the opposition. In particular, the regime should respond to the constructive statement of Aung San Suu Kyi on 8 November and open a meaningful dialogue with the opposition and the country's ethnic groups.

The Council also agreed that a key part of the EU's external agenda is how we can, by working together, maximise our influence in tackling global poverty. The European Commission should report by April next

[The Prime Minister]

year—halfway to the 2015 millennium goals date—on how the EU is meeting its commitments to those goals, and how we can accelerate further progress.

In addition to those issues of international security and development, the Council conclusions and the special declaration on globalisation set out the challenges that the European Union must address on globalisation. We agreed to maintain our focus on economic reform, with a renewed focus on modernising the single market so that it enhances Europe's ability to compete in the global economy. We must have full implementation of the services directive by 2009. We must continue to work towards further liberalisation in energy, post and telecoms, where market opening could generate between €75 billion and €95 billion of extra benefits and contribute 360,000 jobs. Investment in research, innovation and education—and removing barriers to enterprise—are also essential.

We reaffirmed our commitment to free trade and openness, and the priority of securing a successful Doha world trade round, which would lead to benefits approaching $200 billion, bringing significant benefits to rich and poor countries alike. We will also propose and support better EU-USA trade links.

We agreed, too, to do more to develop mechanisms for co-operation within the EU to tackle issues such as security challenges in relation to terrorism, illegal immigration and organised crime. We renewed our commitment to the EU counter-terrorism strategy and to co-operation on counter-radicalisation work. We will work together to deliver our commitments to tackling climate change, including the target of a reduction in emissions. Building on the significant progress made in Bali last week—an agreement on which the Secretary of State for Environment, Food and Rural Affairs will report to the House tomorrow—we must help to negotiate an ambitious post-2012 international climate change agreement. We agreed that Europe must also step up funding, including funding through the World Bank, to help the developing world to shift to lower carbon growth and adapt to climate change.

It was agreed at the last Council meeting that the presidency would propose the establishment of a new reflection group. That was announced in October. At this later meeting, the Council invited Mr. Felipe Gonzalez Marquez, assisted by two vice-chairs, Mrs. Vaira Vike-Freiberga and Mr. Jorma Ollila, Chairman of Shell and Nokia, to

> "identify the key issues and developments which the Union is likely to face in 2020 or 2030 and to analyse how these might be addressed".

The remit states specifically that

> "it shall not discuss institutional matters. Nor should its analysis constitute a review of current policies or address the Union's next financial framework".

The group will report back to the Council, which will decide how to follow its recommendations.

I can also tell the House that today we are publishing the European Union (Amendment) Bill, which contains the institutional changes to accommodate a Europe of 27 members, and will include the safeguards that we have negotiated to protect the British national interest. They consist of the legally binding protocol which ensures that nothing in the charter of fundamental rights challenges or undermines the rights already set out in UK law, and that nothing in the charter extends the ability of any court, European or national, to strike down UK law; legally binding protocols which prescribe in detail our sovereign right to opt in on individual justice and home affairs measures when we consider doing so to be in the British interest, but alternatively to remain outside if that is in our interests; a declaration that expressly states that nothing in the new treaty affects the existing powers of member states to formulate and conduct their foreign policy, and that the basis of foreign and security policy will remain intergovernmental, a matter for Governments to decide on the basis of unanimity; and an effective power of veto on any proposals for important changes on social security, so that when we—Britain—determine that any proposal would have an impact on an important aspect of our social security system, including its scope, cost or financial structure, we can insist on taking any proposal to the European Council under the unanimity provision.

With the publication of the Bill, Parliament will now have an opportunity to debate this amending treaty in detail and decide whether to implement it. We will ensure that there is sufficient time for debate on the Floor of the House, so that the Bill can be examined in the fullest detail and all points of view can be heard. That will give the House the fullest possible opportunity to consider the treaty, and the deal secured for the UK, before ratification.

In addition, I can tell the House that we have built into the legislation further safeguards to ensure that there is proper parliamentary oversight and accountability. So that no Government can agree without Parliament's approval to any changes in European rules that could in any way alter the constitutional balance of power between Britain and the European Union, there is a provision in the Bill that any proposal to activate the mechanisms in the treaty which provide for further moves to qualified majority voting but which require unanimity—the so-called passerelles—will have to be subject to a prior vote by the House. In the event of a negative vote, the Government would refuse to allow the use of the passerelle. The Bill also includes a statutory obligation that any future amendments to the treaty, including amendments that provided for any increase in the EU's competence, would have to be ratified through an Act of Parliament; so Parliament would have absolute security that no future change could be made against its wishes.

I said in October that we would oppose any further institutional change in the relationship between the EU and its member states, not just for this Parliament but for the next, and I stand by that commitment. This is now also the settled consensus of the EU. All 27 member states agreed at the Council—and it was expressly set out in the conclusions—that this amending treaty provides the Union with a stable and lasting institutional framework, and that it completes the process of institutional reform for the foreseeable future. The conclusions of the Council state specifically that the amending treaty

> "provides the Union with a stable and lasting institutional framework. We expect no change in the foreseeable future".

Let me conclude with the discussion on the most immediate of economic issues discussed: concerns about the economic consequences of the global financial turbulence that started in America in August. The Government's first priority in the coming weeks is to ensure the stability of the economy and to have the strength to take the difficult long-term decisions necessary. The Council agreed that the whole of the EU must now turn its attention to both the immediate measures necessary and the long-term strengthening of international capacity to secure greater financial stability. The announcement earlier this week by central banks in the major financial centres that they will provide liquidity to ease tension in the financial markets must now be built upon.

As we agreed, supervisory authorities in different countries need to co-operate effectively across borders in exchanging information and in the management of contagion. The European Council conclusions emphasised that macro-economic fundamentals in the EU are strong and that sustained economic growth is expected, but we concluded that continued monitoring of financial markets and the economy is crucial, as uncertainties remain. The Council underlined the importance of work being taken forward both within the EU and with our international partners to improve transparency for investors, markets and regulators; to improve valuation standards; to improve the prudential framework, risk management and supervision in the financial sector; and to review the functioning of markets, including the role of credit rating agencies.

The European Council will discuss these issues at its spring 2008 meeting on the basis of a progress report from the Council of Finance Ministers and the financial stability forum. As agreed by Chancellor Merkel, President Sarkozy and I in October, the progress report should examine whether regulatory or other action is necessary. I have invited Chancellor Merkel and President Sarkozy to London so that we can discuss the proposals in the paper we agreed and issued a few weeks ago—measures important to strengthening the international community's role in addressing financial turbulence, showing the importance we attach to taking the long-term decisions to ensure in testing times the stability of the economy.

The conclusions of the Council state specifically that in the institutional framework we expect no change "for the foreseeable future". The protections that have been agreed in the amending treaty defend the British national interest. In the Bill introduced today, we are legislating for new protections and new procedures to lock in our protection of these interests. Europe is now moving to a new agenda, one that focuses on the changes needed to meet the challenges of the global era. I commend the statement to the House.

Mr. David Cameron (Witney) (Con): I thank the Prime Minister for his statement on the European Council in Brussels. I note that he could not bring himself to mention his visit to Lisbon.

I am delighted that the Government have finally adopted our position of saying that Europe should focus on the real issues and not on institutional reform. However, the whole country will ask how he can possibly say that, having just signed up to an all-encompassing constitution that transfers powers from Westminster to Brussels and when he will not even put the constitution, with its massive institutional changes, to the British people in a referendum.

Before turning to the constitution, let me ask about those areas where decisive action is needed: the Balkans, Iran and Darfur. On Burma, I very much agree with what the Prime Minister said. On the Balkans, clear signals are needed. Kosovo should not be left in limbo, no other border should be reopened and military reserves should be deployed to demonstrate Europe's resolve. In terms of sending out these clear signals, does the Prime Minister agree that if Serbia wants to join the EU, she should co-operate fully with the war crimes tribunal, which means arresting Mladic and Karadzic and getting them to The Hague?

On Iran, what is needed is a combination of engagement and sanctions. We have consistently argued that although the United States needs to do more in terms of engagement, Europe needs to do much more in terms of sanctions. *What progress was made in Brussels in persuading* other European countries that new export credits should be banned and that access for certain Iranian banks to the European financial system should be restricted?

On Darfur, which I do not think he mentioned, the Prime Minister said three months ago that more than 20,000 troops and police were necessary. I agree. Today there are still fewer than 10,000. When will that shortfall be made up?

Turning to the constitution, I have to say to the Prime Minister that the key issue is the referendum. Is it not the case that he simply will not restore trust in politics unless he keeps his promise to hold one? Labour Members of Parliament—staggeringly few of them are here today—put that commitment to a referendum in their election addresses, trade unionists voted for it in the TUC, and every opinion poll shows that it is what people want. This issue is not going to go away. In trying to justify breaking his promise, the Prime Minister says that this treaty is not the constitution, but does he not understand that that simply will not wash? The German Chancellor, the Irish Prime Minister and the Spanish Foreign Minister all completely undermine what the Prime Minister says by saying that the treaty is pretty much the same as the constitution, and the author of the constitution, Giscard d'Estaing, said last month that the constitution's

"essential points...reappear word for word in the new project. Not a comma has changed!"

The Prime Minister's argument has simply collapsed. Does he not see that it is this sort of approach that makes him look shifty and untrustworthy? Does he not see that far from getting him out of his troubles, denying people a referendum is digging him in deeper? This treaty obviously is the constitution. It contains an EU President, a Foreign Minister and an EU diplomatic service, and it gets rid of the veto in 60 areas and contains a new ratchet clause which allows even more vetoes to be scrapped without a new intergovernmental conference. When I put that point to the Prime Minister last October, he claimed the measure was already there in the Single European Act. It was not. The new clause for the first time allows virtually any veto to be scrapped in any area. That measure was not in the Single European Act, nor in any treaty before this one. Once again, the Prime Minister is treating people like fools.

So the Prime Minister has not been straight about the constitution, and that was only made worse by his frankly bizarre performance in Lisbon last week. Was he going or was he not going? Was he going to sign the treaty or was he not going to sign the treaty? Were the cameras going to record it or not? He could not summon up the courage to decide.

[Mr. David Cameron]

Is this not all a pattern for this Prime Minister? We get troop withdrawals that have already happened, the election that never was, and now the signing ceremony that would not take place. There was not a word in the statement about actually signing the treaty. I expect that Macavity hopes we have forgotten about it already. Did not a senior diplomat get it right when he said of the Prime Minister's dithering that

> "he's ended up with the worst of all worlds...If he wants to send a Euro-signal that he's indecisive, he's just sent it"?

As for the Foreign Secretary, in all the past centuries of British Foreign Secretaries representing this country overseas, has there ever been a more ludicrous moment than this Foreign Secretary being so isolated and alone that the only person whose hand he could find to shake was the usher who had handed him the pen? Is it not the case that European leaders now see the Prime Minister in the same light as do the British people: not as the strong leader he posed as in July, but as a Prime Minister who has turned out to be weak, dithering—second-rate would be a bonus with him—and not straight with people? Does he not recognise that the best chance he has got to redeem himself is to hold that referendum he promised?

The Prime Minister: In the spirit of Christmas, let us find where we do agree. We agree on Kosovo, where our aim, too, is supervised independence, the arrest of the Serbian criminals, and to ensure that there is a proper civilian as well as military presence from both the EU and NATO on the ground. We agree on Iran: obviously, the right hon. Gentleman agrees with me that because the issue is enriched uranium, sanctions are necessary. We agree on Darfur, and I thank him for mentioning that as it gives me the chance to say that we are ready to step up both sanctions and activity in relation to Darfur if we do not get the co-operation of the Government there.

As the right hon. Gentleman said, we also agree on Burma. However, I am surprised that when we are debating the issues that arose from the European Council—and I rather suspect he wrote his contribution before he looked at its conclusions—he does not mention the declaration on globalisation, the commitment to economic reform, what we have done on the environment together, and what we continue to do on the financial stability issues, none of which he seems to think important, because the only issue that obsesses the Conservative party is the European amending treaty. I have to ask him this question, then: if the Conservative party thinks that a referendum is so important, does it agree that even after ratification there would be a referendum? Some of the party think that there should be, but others think there should not. Will he tell us what his position is, because until he does so we will rightly say that he is all slogans and absolutely no substance?

When it comes to the wording in the Bill that I have laid before the House today, I should correct the right hon. Gentleman. On passerelles, there will be a parliamentary vote on whether there should be any move from unanimity to qualified majority voting, and the Government will not be able to sign up to a passerelle change without the approval of the House of Commons. However, I have to tell him on the referendum issue that not one other country—except the Irish Republic, which is constitutionally bound to have a referendum—is proposing to have that referendum. The Dutch and the Danish have rejected it. The right hon. Gentleman has only two supporters in the European Union as he tries to find a new group. The Bulgarian party has now deserted him, and the Czech party has said only in the last few days that it wants to sign the treaty. It is not a constitutional treaty in their view, and if they did not sign the treaty it would lead, they said, to the international isolation of the Czech Republic.

That is the view of the right hon. Gentleman's best ally in Europe: and perhaps I should repeat to him what the chairman of his democracy commission has said about this matter—that a European referendum would be "crackpot", "dotty" and "frankly absurd". Is it not about time that the Conservatives faced up to the big issues in Europe; that they accepted they we are trying to move Europe to a new agenda; that they joined that new agenda, which is about the environment, the economy and security; and that they stopped their obsession with the issues of the past?

Dr. Vincent Cable (Twickenham) (LD): I too welcome the statement, particularly the Prime Minister's comments on Kosovo, Iran and Burma, and his support for economic reform and free trade. I start by referring to the meetings that he did not attend, before getting on to the one that he did. He was absolutely right not to attend the EU-Africa summit. The European Union has a travel ban on Mugabe, and the Prime Minister was absolutely right to take a principled stand on that. The only doubt that I am left with is why, given his strong position on human rights, he did not take a comparably strong position on the King of Saudi Arabia. I suspect that Mr. Mugabe will be wondering whether the only way to get on the right side of the Prime Minister's principled view of foreign policy is to have some oil.

The other meeting that the Prime Minister did not attend, of course, was the signing ceremony, and I am puzzled about the reasons for that. Either he could not organise his diary, which would be incompetent, or he could not make the effort, which would be discourteous. Alternatively, he was trying to send the conflicting signal that he did not like the treaty that he had agreed to. Whether it was duplicity, incompetence or discourtesy, it reflected badly not just on him but on the country as a whole.

There is one way for the Prime Minister to redeem himself, which is to call a referendum: not, of course, on the narrow issue of the treaty, but on the broader question of whether Britain should remain a full member of the European Union—an issue on which nobody under the age of 50 has yet had an opportunity to vote. Perhaps I might remind the Prime Minister of what happened when we had a vote in the House of Commons on 14 November. His party and mine were united—on opposite sides of the argument. The Conservatives voted 149 against the referendum and six in favour, with 31 abstaining. If high principle does not appeal to him, perhaps low politics will, and he will come round to the idea of a referendum.

On the specifics of the Prime Minister's statement, he was right to draw attention to the progress made on Kyoto and climate change, but can he clarify exactly what this means for the commitments of the United

Kingdom? I tackled him at Prime Minister's questions a few weeks ago on the UK commitment to a 20 per cent. renewables use by 2020, and he replied by saying that that was not a commitment for the UK, but for the European Union as a whole. Somewhat earlier, on 1 March, his Foreign Secretary, who was then the Environment Secretary, said quite explicitly that this was a commitment for the United Kingdom specifically. Can the Prime Minister clarify: is that the Government's view, or was his statement in Parliament the correct view?

On Kosovo, the Prime Minister is absolutely right to stress the danger of this situation. Several countries in the area could be sucked into it—Serbia, Montenegro, Macedonia and Bosnia—and we could well be faced with flights of refugees, as we have had in the past. The UK may well be called upon to play a role in a peacekeeping capacity.

The question I have for him is: what is the ability of the British Government to play a role in a peacekeeping capacity when British armed forces are so overstretched? Is not the answer to this dilemma to withdraw the remaining few thousand troops in Basra, who are impotent in the face of the militias running amok there?

Finally, may I ask the Prime Minister about the commitment of Finance Ministers and Prime Ministers to support additional liquidity in the world economy? There is a simple point: if £30 billion cannot save one small regional bank in Britain, what is the prospect of £50 billion saving the world economy?

The Prime Minister: I am pleased that the hon. Gentleman is making his appearance here as the acting leader of the Liberal party; it will elect a new leader tomorrow. I see that three former leaders of the Liberal party are with us today. He says that he has a new position on the referendum—but some members of his party want a referendum on the amending treaty, whereas others do not. So what has his party done? It has retreated to the position of 35 years ago whereby the party will have a referendum on whether we should be in the European Union at all. I suggest to him that that issue was resolved in 1975; it is in no need of being resolved again in this country.

I turn to the hon. Gentleman's points about the specifics of the discussions. On Zimbabwe, it is right that we are agreed that it was wrong for Britain to be present at prime ministerial or Foreign Secretary level at the EU-Africa conference. However, if there is a change in Administration in Zimbabwe and in the respect for human rights, we stand ready to do what we can to help rebuild that country.

On Kosovo, I agree with the hon. Gentleman that we need a military and civilian presence, but I do not agree with him that Britain cannot play its part with the small but important numbers that we are putting in both in civilian and military presence.

On the renewables issue, I think the hon. Gentleman knows what our position is: I made it clear in the House of Commons. The EU is committed to a 20 per cent. renewables target. Discussion is taking place around the EU about what individual contributions will be made by the member states. We await the outcome of that discussion, and we will then receive a target that we will implement. This is the right way forward, and I hope that all parties in the House of Commons will provide support for dealing with renewables.

Finally, the hon. Gentleman mentioned the European financial situation in the face of global turbulence. I hope that we will see co-operation across Europe to deal with what have been very difficult problems arising from events in America, where there has already been central bank co-operation. We are prepared to argue for more co-operation, which is why I have invited Chancellor Merkel and President Sarkozy to London to discuss the paper that we have already put forward for reform of the international financial institutions.

Mike Gapes (Ilford, South) (Lab/Co-op): Does the Prime Minister agree that the Portuguese presidency deserves enormous credit for all the achievements during its six months, and that the outcome of this meeting in Brussels, too, is a reflection of a lot of the preparatory work that it has done? He made reference to Kosovo. Did any discussion take place about a co-ordinated EU and United States recognition of an independent Kosovo, so that no precipitate and unwieldy approach to these matters is taken over the next two months and we get the smoothest possible international agreement of recognition at the same time?

The Prime Minister: I am grateful to my hon. Friend, who takes a big interest in these matters as Chairman of the Foreign Affairs Committee. As far as Kosovo is concerned, we should applaud the restraint that has been shown so far by both sides. A meeting will take place at the UN—Russia will also be involved there—to see whether we can reach agreement. If we cannot do so, the EU will debate its presence in Kosovo in the next few weeks. The final decisions will be made by the Foreign Ministers. Our position is that we would then move to supervised independence of Kosovo, but we await the discussions that are taking place in the United Nations.

My hon. Friend is also right to praise the Portuguese presidency: it was responsible for getting the final decisions on the amending treaty; it organised the EU-Brazil summit and the EU-Africa summit; it has moved ahead with action on Kosovo; and it put forward the declaration on globalisation, which sets a new agenda for the European Union for future years. So, I have nothing but praise for the Portuguese presidency.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): The Prime Minister says that he prides himself on letting Parliament have its say. Given that he has now made it clear that he and his Front Benchers will not stand by their commitment to have a referendum on the treaty, does he acknowledge that many of his Back Benchers stood on a manifesto commitment to do so? Should an amendment to hold a referendum be tabled during proceedings on the treaty, would he allow his Back Benchers a free vote, so that they could stand by their commitment?

The Prime Minister: That is not the way forward, because the constitutional treaty was abandoned. The first line of the Brussels declaration last summer was that the constitutional concept had been abandoned. In particular, Britain won all the red lines that we set out before we went to the Brussels summit. It is for the

Conservatives now to tell us whether they are in favour of a referendum in principle, in which case they will support it even after ratification—or are they simply opportunist, in saying that they want a referendum now?

Sir Stuart Bell (Middlesbrough) (Lab): As a member of the Liaison Committee, I can tell the Prime Minister that the Committee was grateful for, and appreciated, his attendance last Thursday. The whole House should appreciate the respect that he has shown Parliament.

In relation to the signing of the amending treaty, has the Prime Minister remarked on the confluence of the events in Lisbon and in Bali, where the entire European Union spoke as one? Is not that an example of how the Union can work together in the interests of all the people of the Union, and will not the amending treaty advance that cause in the future?

The Prime Minister: As I said in my statement, the Secretary of State for Environment, Food and Rural Affairs will make a statement to the House tomorrow about the success at Bali, in which, to his credit, he was directly involved in persuading the rest of the world to sign an agreement that moves the environmental negotiations forward and makes us believe that a post-2012 agreement similar to Kyoto will involve all countries, not just some. I agree with my hon. Friend that the environmental issues that are being addressed make the case for co-operation across the European Union. It is precisely because the EU was prepared to agree a common position that it had such influence in Bali. By working together, we can achieve more than if we work in isolation, and the Conservatives—if they seriously believe in the importance of environmental co-operation—should accept the lesson that we should co-operate across Europe in bringing forward proposals for a better environment.

Mr. William Cash (Stone) (Con): The Prime Minister's idea of Christmas on this matter is about as cheerful as Jacob Marley's. Why is he in breach of the resolution of the House of Commons of November 1998, in respect of the European Scrutiny Committee's refusal to clear the IGC opinion on the treaty? Will he, therefore, in accordance with that resolution—and given his much vaunted enthusiasm in his "Governance of Britain" Green Paper for giving full account to Parliament—appear before the Committee and explain why he thinks that this treaty is not substantially equivalent to the constitutional treaty?

The Prime Minister: We are not in breach of the 1998 decision. This was a report on the IGC process, not on the treaty itself. Therefore I do not accept the presumption in the hon. Gentleman's question.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): The Council is right to be concerned about the position in Iran. The rhetoric coming from Tehran is dreadful, and equalled perhaps only by the wilder sources in Washington. However, does my right hon. Friend understand that the present sanctions are not hurting the big British, American and European companies in Iran, who are sourcing their goods through the Gulf countries, but smaller businesses and people in Iran? That is being used by Ahmadinejad to wind up the Iranian people against the west. Will my right hon. Friend use his best efforts to ensure that diplomacy is the way forward, including contact with the bodies in Tehran?

The Prime Minister: It is diplomacy that we want to be the way forward, but we have to face up to the fact that in enriching uranium with no civil nuclear power process at work, the Iranian Government are in breach of the non-proliferation treaty and of all the commitments that they have made to the international community. I cannot agree with my hon. Friend that the sanctions are purely on small businesses. We are prepared to move forward oil and gas sanctions, and sanctions in the financial community, and it is those that will have an impact on the Iranian economy.

Angus Robertson (Moray) (SNP): On Kosovo, I am very glad that the Prime Minister has recognised that the best future is independence in Europe. That is something that the Scottish National party wholeheartedly supports. Independence is the appropriate status for all normal countries within the European Union.

Moving on to the EU reform treaty, the Prime Minister has chosen to overlook the concerns of the Scottish Government regarding the exclusive competence of fisheries, which he has signed up to. Therefore, will he take this opportunity to inform the House what advantages his signing up to this measure will bring?

The Prime Minister: The treaty does not change competence in relation to fisheries at all. The fact of the matter is that the hon. Gentleman has got this wrong in asserting that it does.

On the hon. Gentleman's first point about independence, I say to him that the latest survey shows that two thirds of Scottish people are against independence. They do not want it.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I welcome the Prime Minister's announcement that he is publishing the Bill that will amend the European Communities Act. He also said that this will give Parliament an opportunity to debate it and make a decision. In the light of that, does he not think that it is either extraordinarily presumptuous and arrogant or incredibly dismissive of the role of national Parliaments that the Commission has seen fit to appoint the first EU ambassador to deal with Africa well before the treaty establishes the diplomatic service?

The Prime Minister: My hon. Friend will be part of the debate on the amending treaty when it comes before the House of Commons, but in the light of the EU-Africa summit, I should have thought that people would want closer contact between the African Union and the European Union.

Mr. David Curry (Skipton and Ripon) (Con): I shall vote for the treaty, which I think is a perfectly sensible and balanced response to enlargement. But if there is one person who could make me change my mind, it is the Prime Minister with his clumsy, ill-judged and surly performance in Lisbon towards the European Union as a whole. Does he not realise that a Prime Minister who cannot even decide which gallery he is playing to merely incurs the enmity of the Eurosceptics, the contempt of the pro-Europeans and the bafflement of almost everybody else?

The Prime Minister: It is the British Government who led the way to the globalisation declaration that happened on Friday; it is we who are pushing the global agenda on Europe; it is we who are saying that we must forward that agenda because it is in the interests of all the countries of Europe to have a more global perspective; and, of course on the environment, we are pushing ahead with other countries in Europe. We are playing our full part in Europe and will continue to do so.

Chris Bryant (Rhondda) (Lab): Was there any discussion last week of EU relations with Russia? It seems clear that the recent elections to the Duma were wholly unfair and far from free; there is systematic use of torture throughout the criminal justice system in Russia; every single independent television network has been closed down; and now the British Council offices outside Moscow in Russia will be closed as well. Is it not time that Europe spoke clearly and with one voice to make sure that Russia does not again become a totalitarian state?

The Prime Minister: I agree with my hon. Friend about what has happened to the British Council offices. It is completely unacceptable, and in our view the treatment meted out to people doing a good job both in Russia and to promote global understanding is illegal. We believe that it is not only unjustifiable, but should cease. I hope that there will be a statement from the presidency of the European Union on these matters, because the voice of 27 members of the EU against what is happening is better than the voice of simply one. I believe that all members of the EU are appalled by the behaviour of Russia in this regard.

Mr. David Heathcoat-Amory (Wells) (Con): The Prime Minister mentioned competitiveness, and he will be aware that the British labour market is under threat from measures opposed by the Government on temporary workers and changes to the working time directive. However, is he aware that the new so-called reform treaty mandates new and additional measures in harmonising employment practices across Europe? Is he aware of those articles and can he tell the House whether he read all 257 pages of the treaty before he signed it?

The Prime Minister: If the right hon. Gentleman is referring to the charter, it does not affect employment law. I see nothing in the treaty that justifies the assertions that he is putting forward. I have to remind him that he was the deputy Chief Whip when the Maastricht Bill was going through the House of Commons under a Conservative Government.

Mr. Denis MacShane (Rotherham) (Lab): Can the Prime Minister confirm that the treaty of Maastricht—the biggest sharing of power with our European partners—was signed by the most junior Foreign Office Minister on the Tory payroll at the time? So all this froth is just that. May I say how much I disagreed with the Prime Minister when he said in his reply to the Leader of the Opposition that he hoped that the Conservative party would start to become sensible and engaged on Europe? I want the Conservatives to stay exactly where they are, because then they will never be elected to power. In his statement, he said, that now

"we can, by working together, maximise our influence".

That is the European Union—utterly opposed to the isolationism of the Conservative party.

The Prime Minister: My right hon. Friend is absolutely right. The Conservative party refused to answer the single most important question that it has to address: is it in favour of a referendum after ratification or not? Some 47 Conservative Members of Parliament have signed a motion calling for it. Two shadow Ministers have called for it. The shadow Foreign Secretary wants it. What is the position of the Conservative party? Unless the Conservatives can tell us, everything else is froth and has no substance at all.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): I welcome the eventual UK signature on the draft treaty, however clumsily we got there, but does the Prime Minister acknowledge that, as we move into ratification scrutiny here, it is not just going to be a matter of winning votes in Parliament? Those of us who support the treaty and Britain's future in Europe are going to have to start winning the argument in the country. Towards that end, may I make the following plea to him, and through him, to all his Ministers? They are not going to persuade the British public about the long-term merits of Europe by using Eurosceptical language to justify the treaty they have just signed. The Prime Minister was at it again this afternoon, saying, "We have safeguarded this," "We have defended that," and, "We have seen off the following." Why does he not say, "The status quo that we have today, and what we have just put our names to as a country on your behalf, is an improvement"? That is what he believes—is it not?

The Prime Minister: It is what I said: the co-operation across Europe on the environment, security and the economy, and what we decided at the Council, are to the benefit of not just this country but the whole world, and we should push forward with them. But it is also right for me to point out the inaccuracies in the statements that have been made from the Opposition Benches about what the amending treaty tries to achieve. As far as the charter of rights is concerned, it is not justiciable in British law. As far as foreign policy is concerned, it is still intergovernmental. As far as justice and home affairs are concerned, we have an opt-in and, in certain circumstances, an opt-out. As far as national security is concerned, it is not considered in the amending treaty. On social security, we have an emergency brake. It is right that we point out, against those who allege the opposite, what is happening. I agree with the right hon. Gentleman that there should be a campaign in the country to show people the benefits of the amending treaty and membership of the European Union, and we will work together on that.

Jeremy Corbyn (Islington, North) (Lab): The Prime Minister mentioned that there had been discussions about relations with Turkey during the Council meeting. What concerns were expressed about the rights of Kurdish people in south-east Turkey, the growing militarisation of that part of the country and the incursions by Turkish forces into Iraq at present? What meetings are being sought with the Turkish Government to try to reduce tensions and bring about peace and cultural respect in that area?

The Prime Minister: While Turkey was not discussed in detail at the Council, it was the subject of discussion at previous Councils. I can assure my hon. Friend that it is a modern, reforming Turkey that we wish to be part of the discussions to join the European Union, and I hope that he would support me in that.

Mr. Michael Ancram (Devizes) (Con): I wonder whether the Prime Minister can assist me. Where do I find the basis for his claimed mandate not only to sign the European treaty last Thursday, but to seek ratification from this Parliament without the consent of the British people? I revisited his manifesto from the last election and I cannot find any trace of such a mandate being sought. Have I missed something?

The Prime Minister: I should remind the Opposition that, in the case of the old treaty, which was rejected, nine countries proposed to have a referendum. Only one now proposes to have a referendum: Ireland. The reason why the Dutch, the Danish, the French and others have rejected a referendum is that the constitutional concept was abandoned.

Paul Flynn (Newport, West) (Lab): Do not the gathering storm in Kosovo and its possible implications for our stretched armed services mean that there is an even more urgent reason to re-examine not our general commitment in Afghanistan, but the particular commitment in Helmand province, which is failing to meet all its original objectives, at a grievous cost in human lives?

The Prime Minister: I do not accept what my hon. Friend says. Last week, I made it absolutely clear that the process in which we are involved in Afghanistan is one of moving towards greater Afghan control of security by building up Afghanistan's military and policing forces, and having a programme of economic, social and political development that can benefit the Afghan people. I believe that there is wide support for that among the coalition. Yes, it is true that the purpose of being in Afghanistan was to remove the Taliban and to prevent al-Qaeda from getting control. However, it is also true that now that Afghanistan is a democracy, we must bolster it and help its economic, social and political development.

Mr. Gregory Campbell (East Londonderry) (DUP): In relation to the European treaty, the Prime Minister referred to legally binding protocols. Given that there is a growing political view in Northern Ireland, Scotland and Wales that the people of those parts of the UK should be able to express a view on the treaty through a referendum, will he ensure that all the people of all the United Kingdom can cast their vote on this issue in a referendum?

The Prime Minister: The United Kingdom Government sign treaties on behalf of the United Kingdom and I believe that that is the right course of action. I have answered the point about a referendum. The constitutional concept was abandoned, and no country except Ireland is having a referendum. Having won in the negotiations the red lines that we suggested were necessary, there is no reason why we need a referendum, because there is no fundamental constitutional change.

Keith Vaz (Leicester, East) (Lab): May I welcome the decisions of the Council, as expressed in paragraph 27 of the conclusions, concerning police and judicial co-operation? Is the Prime Minister content with the timetable for the full establishment of Europol, which will be in June 2008? What steps does he propose to take with our EU partners to ensure that we work with them in the fight against terrorism?

The Prime Minister: My right hon. Friend, as Chairman of the Home Affairs Committee, will agree that when there is crime and a need for judicial co-operation across borders, that is the right thing to do—it is what the treaty is about. In these areas we have opt-ins and, in some cases, opt-outs.

Mr. John Redwood (Wokingham) (Con): If the Prime Minister, not having offered the House a vote on the treaty before he signed it, finds that either the Lords or Commons votes to amend any part of the implementing legislation, what will he do?

The Prime Minister: I remember that the right hon. Gentleman expressed exactly the same fears when he said that the Amsterdam treaty would abolish Britain. Britain is still here.

Kate Hoey (Vauxhall) (Lab): Although I disagree with the Prime Minister's decision not to give the people a referendum, I congratulate him on his principled stand of staying away from the summit with Africa. In his discussions with European leaders at the margins of the Council, did any of them profess, even secretly, that they felt that their judgment in allowing Mugabe to be there was wrong? Did he get any movement on his desire to have an EU envoy sent to Zimbabwe?

The Prime Minister: The important thing is that a message is sent to Mugabe and his supporters that the whole European Union is against the abuse of human rights in Zimbabwe and the damage that is being inflicted on that country, when there are 4 million refugees in South Africa, when 80 per cent. of the population is in poverty, when inflation is running into thousands of per cent., and when there is real suffering. I believe that there is a common view across Europe that we should support the people of Zimbabwe. If there is a move towards human and democratic rights in that country and a change of Government there, I believe that the whole European Union will join us in helping the reconstruction activities of the people of Zimbabwe.

Sir Patrick Cormack (South Staffordshire) (Con): As the Prime Minister has once again promised full debate on the treaty in Parliament, will he promise the House that there will be no timetable, and that if Parliament amends the treaty, he will listen?

The Prime Minister: That is a matter for the usual channels in the House. Many days will be allocated to the debate on this important amending treaty.

Mr. James Clappison (Hertsmere) (Con): Is the Prime Minister in favour of a common defence? If not, is it advisable to sign up to a process leading to it?

The Prime Minister: The role of NATO, and the importance that we attach to NATO, is safeguarded in the decisions that were made in discussions on the amending treaty. Whatever co-operation takes place within Europe is in the context of the important role of NATO.

HMRC Data Loss

4.24 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): With your permission, Mr. Speaker, I should like to make a statement on the progress report by Kieran Poynter, chairman and senior partner of PricewaterhouseCoopers, on the loss of child benefit records at Her Majesty's Revenue and Customs. Before I turn to that, I can confirm that the police investigation continues, and although the searches are drawing to a close, their inquiry is not yet complete. However, the police have reiterated that they have no information or intelligence that the data have fallen into the wrong hands. They will keep that under review. The banks, too, say that they have found no evidence of any activities suggesting fraud arising from the incident, but they continue to monitor closely the accounts concerned, so they can see immediately if there is any unusual or irregular activity. As I told the House previously, the majority of accounts into which child benefit is paid are with a small number of banks, and those banks have checked the accounts back to 18 October—the date on which the missing data were posted. There are no reports of any activities suggesting increased fraud attempts deriving from the incident.

I deliberately gave Mr. Poynter wide-ranging terms of reference because of the seriousness of the loss and my concern about previous losses of data, to which I referred in my statement on 20 November. Mr. Poynter started his review on 23 November, just three weeks ago, and as he says, his work is far from complete and his conclusions will develop as his work progresses. Inevitably, therefore, the report is short, but I said last month that I would return to the House when it became available. A copy has been placed in the Vote Office in the usual way.

Kieran Poynter sets out the work that he has put in hand. He says that he has given priority to the immediate steps that Revenue and Customs must take to protect data security. It has already put in place a number of measures. Mr. Poynter says that they are measures that he would have recommended, and they are set out in his report. Mr. Dave Hartnett, the acting head of Revenue and Customs, said to the Treasury Committee on 5 December that the measures include the imposition of a complete ban on the transfer of bulk data without adequate security protection, such as encryption, as well as measures to prevent the downloading of data without adequate security safeguards. In addition, Revenue and Customs disabled all the personal and laptop computers it uses to prevent the downloading of data on to removable media; they will be reactivated only with the approval of a senior manager, and for a specific business-critical purpose.

Mr. Poynter has also started his investigation into exactly what happened in relation to the loss, but he makes the point that there are more inquiries to be made and more interviews to be carried out, and there is to be greater examination of the evidence available. As he says, it would be wholly inappropriate for him to draw final conclusions until his work is completed.

Mr. Poynter also draws attention to the responsibilities and accountability in Her Majesty's Revenue and Customs generally. Those issues are also referred to in the capability review of Revenue and Customs, carried out by an

[Mr. Alistair Darling]

independent panel overseen by the Cabinet Secretary. The House will be aware that the review was commissioned as part of a general review of the strengths and weaknesses of all Government Departments, and was announced in July 2006. The review of Revenue and Customs is published today, along with the Treasury's review, and updates for four Departments. I am also publishing Revenue and Customs' autumn performance report.

The capability review identifies a number of important strengths of Revenue and Customs, including a proven ability to bring in money to fund public services while driving down its own costs and delivering greater efficiency. It refers to committed people with honesty and integrity, and with a clear desire to transform and improve. The review also highlights a number of areas where improvements are needed; it mentions the need to set up a simpler structure, the need for clearer accountability, and the need to improve confidence and strengthen management information. The acting chairman agrees, and is announcing proposals to put in place a simpler organisational structure with clearer accountabilities. As Mr. Poynter says, that will make it easier to implement recommendations on data security as his review progresses.

I said in my statement that the Prime Minister had asked the Cabinet Secretary to ensure that every Government Department checked its procedures for the storage and use of data, and to make recommendations on how to improve data handling procedures across government. His interim report is also published today, alongside a written ministerial statement by the Minister for the Cabinet Office. The Prime Minister has already announced that the Information Commissioner will have the power to conduct spot-checks on departments. There will also be new sanctions under the Data Protection Act 1998 for the most serious breaches of its principles. These will take account of the need not only to provide high levels of data security, but to ensure that sensible data-sharing practices can be conducted with legal certainty. We will consult early in the new year on how this can best be done. There is also a range of other measures, which are set out in the report.

Revenue and Customs, and before that the Inland Revenue and HM Customs and Excise, have served successive Governments well. Their staff are dedicated and hard-working. However, the loss of these data was extremely serious and should not have happened, and again, I apologise to everyone who has been affected. As I told the House in November, the loss of these data, together with losses in previous incidents, means that a wide-ranging review was necessary so that lessons could be learned, procedures tightened and security improved. Mr. Poynter tells me that he expects to conclude his work in the first half of next year, and I shall report back to the House when I have his final report. I commend this statement to the House.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): First, I want to reiterate to the Chancellor the sense of anger and betrayal felt by millions of people at the loss of their children's data and their own data.

Today the Chancellor has to explain HMRC's responsibility for the most catastrophic data security breach in British history, against a backdrop of its responsibility for the loss of confiscated drugs, money, passports and perhaps weapons, not to mention £5.7 billion of overpaid tax credits. In a few minutes another Cabinet Minister will bob up to admit to yet another serious data breach of security. What we and the public want is simple—a concrete assurance that such a catastrophic failure of data security will not happen again. As with every Treasury disaster, whether it is a failed bank or a lost disc, the starting point must be to establish exactly what happened and how it was allowed to happen. That is what the Poynter review was set up to do.

The Chancellor told the House on 20 November that responsibility lay with a junior official who had broken the rules. That line started to unravel almost immediately. First, the National Audit Office produced e-mails that established the involvement of senior HMRC officials in an earlier decision not to filter data in response to NAO requests, which is confirmed at paragraph 16 of the Poynter interim report.

Then data experts confirmed that the ability to download such a large volume of sensitive data to disc without authorisation signalled the absence of the most basic protections that should be built into any data-handling system. Finally, in the face of the mounting evidence, the acting chief of HMRC admitted that a systemic failure had occurred in that vast and unwieldy department cobbled together by the Prime Minister when he was Chancellor of the Exchequer.

We will obviously study the Poynter interim report with great care and we look forward to the final report. We welcome the ban on transfers of bulk data and the disabling of computers to prevent downloading to disc, but why on earth was that simple precaution not already in place? We welcome, too, the publication of the long delayed capability review, recognising HMRC's need to rebuild its reputation with the public.

Can the Chancellor answer the following specific questions? Can he confirm that it was the practice that passwords were included on a note enclosed with data discs, and did that happen on this occasion? Who was the most senior official to be made aware of the decision routinely to send unfiltered databases to NAO in order to save cost? At what level was the downloading of the data to disc authorised in this particular case, and if it was not authorised, how was it physically possible? Finally, now that he has had time to think about it, can the Chancellor answer the question that was put to him on 20 November: why were police not informed for four days after he personally was aware of the loss, and the banks not informed for six days?

The question is not who put the discs in an envelope and dropped them in an unregistered mailbag. In any large organisation, stupid mistakes occur. That is why well-run, functional organisations have data security systems in place—systems to ensure that sensitive data are filtered out of files, systems to ensure that large volumes of data cannot be downloaded to disc, systems to encrypt personal information, systems to track important material when it is sent off the premises, and systems to make sure of a swift and appropriate response, rather than dither and delay, when something goes wrong. We have a term for when such systems do not work: we call it systemic failure. Responsibility for systemic failure lies not with junior staff, but at the very top. Two long months ago, the Chancellor said on the BBC that what people

"look to us to do is to deal with things that come up unexpectedly, and deal with that competently".

They do indeed, and the Government have failed them. In the face of the overwhelming evidence of the systemic failure behind this disaster, the statement today can be described only as a wholly inadequate response from a wholly inadequate Chancellor.

Mr. Darling: First, I am grateful to the shadow Chancellor for taking the trouble to write to me to explain why he could not be here this afternoon; I quite understand his reasons. However, it is clear that his deputy had nothing in particular to say.

I asked Mr. Poynter to look into the facts and circumstances surrounding the loss of the data. He started doing so three weeks ago and, as he says, it is far too early for him to draw conclusions. As I have said on a number of occasions, we need to find out what happened and why, and to learn the lessons. When we have the final report next year, we can get the conclusions and implement them.

The hon. Member for Runnymede and Weybridge (Mr. Hammond) referred to paragraph 16 of Mr. Poynter's report, but if he was going to quote it, he might as well have quoted it all. Mr. Poynter makes the point that he has seen the e-mail in question but that it does not "on its own" prove that the official took the decision referred to. In other words, further investigations need to take place.

The hon. Gentleman asked about the capability review, which was not held up, but was completed last week; I thought it appropriate to publish it today, alongside the interim report. The hon. Gentleman also asked a number of specific questions that are precisely the ones that I have asked Mr. Poynter to address. I suggest that we should get Mr. Poynter's report and draw our conclusions after that.

John McFall (West Dunbartonshire) (Lab/Co-op): When he appeared before the Treasury Committee, Dave Hartnett, the acting head of Revenue and Customs, left open the question whether there were systemic flaws. No doubt in the coming weeks we will question both him and the National Audit Office. The NAO is very much involved in the situation, as evidenced by its letter of 9 November to Revenue and Customs offering an apology.

As we take the issue forward, can the Chancellor give us reassurance that both on the Gershon efficiencies and on the reduction of staff numbers he will be sympathetic to Revenue and Customs, which is a young organisation that has brought two different departments with two different cultures together? Such sympathy and sensitivity from the Government is essential. Will the Chancellor give us that reassurance?

Mr. Darling: I agree with much of what my right hon. Friend has said. I certainly agree that, as I said in my statement, all of us should acknowledge the hard work and dedication of staff at Revenue and Customs. It is a major exercise to bring together two major departments. Perhaps I should remind the hon. Member for Runnymede and Weybridge (Mr. Hammond) that despite his complaint about Revenue and Customs, the Conservatives supported the bringing together of the organisations at the time, as did just about every other Member.

However, my right hon. Friend is right: in merging two organisations, issues clearly have to be tackled. We need to learn from the problems that may have arisen and put them right. Indeed, Dave Hartnett, the acting chairman, has already made announcements about changing the management system and that will provide for clearer accountabilities.

On the National Audit Office, I said in my original statement on 20 November that Sir John Bourn had rightly decided to mount his own inquiry and that there would be close co-operation between the NAO inquiry and that conducted by Kieran Poynter. It is absolutely essential that we learn all the lessons, which will include how the request for the information for audit came to be made in the first place, at what level it was made and how it was dealt with by HMRC. All those facts need to be determined by Mr. Poynter, but we do not yet have them.

Dr. Vincent Cable (Twickenham) (LD): May I thank the Chancellor for his courtesy in bringing us up to date? I hope that he appreciates the damage that has been done to public confidence by this episode, compounded by the events in Coventry and the report on the Driver and Vehicle Licensing Agency about which we shall hear shortly. If data and valuable information are consistently lost, stolen or abused, the public completely lose confidence in government in general at all levels. It is difficult to see how we can have confidence in the Government's proceeding with much more ambitious initiatives not only the compulsory—identity card scheme, but the DNA database and the NHS spine.

The Chancellor exchanged comments with the Conservative spokesman on the specific issue of the distinction between systemic and procedural failure, with systemic failure being the responsibility of Ministers and procedural failure being that of officials. That is a subtle semantic distinction of which St. Thomas Aquinas would be proud, but surely the fundamental point is that good systems produce good procedures and bad systems produce bad procedures. In this episode, we have had bad systems and bad procedures.

I welcome what the Chancellor said about the ban on the transfer of data without encryption. That is clearly the way forward. Has he secured the full agreement of the IT companies to use outside encryption specialists to enable that work to proceed? More generally, has he now agreed that it would be completely inappropriate to try, as he has been doing, to block through the courts the publication of the gateway reviews on the way in which the IT companies manage their affairs in Government Departments?

In terms of the Chancellor's comments about the integration of the work of the Poynter study and the wider 2006 study of Government Departments, what is the significance of the work that David Varney, the former head of the HMRC, is doing on so-called transformational government? Is not the purpose of the study to break down barriers in data transfer between Government Departments? Is there not a danger that if that proceeds without proper safeguards it will merely compound the danger of the kind of error that we have already experienced?

Finally, I want to ask two or three specific and narrow questions. The Government have been asked some parliamentary written questions, not least by my

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hon. Friend the Member for Falmouth and Camborne (Julia Goldsworthy), about whether there are protocols that govern data transfer within government. None of those questions has been answered, including those asked of the Chancellor's own Department. Are we to infer from that that there are no protocols? Is that what that obfuscation is designed to achieve?

When the Government sent out their letter of apology, they sent out millions of letters containing large amounts of personal data that far exceeded what was necessary to communicate an apology to their recipients. Since, according to information from the Courts Service, it seems that 8 per cent. of all official letters go astray, have not the Government compounded the original disaster by putting out large amounts of personal data that will simply finish up in the wrong hands?

Mr. Darling: On the hon. Gentleman's last point, I have some sympathy for what he says. I think that HMRC's intention was to apologise to all those who receive child benefit, but I do not think that it was ever intended that that letter, too, would be accompanied by information that, as far as I can see, did not need to be sent. I agree with the wider point that the hon. Gentleman raised in that respect.

The Government, of necessity, hold a great deal of information on behalf of citizens of this country and we need to be careful to reconcile two things. First, we must maintain people's privacy, by ensuring that we do not send out information that might fall into the hands of people who are not entitled to receive it and might cause difficulties for people's security or general privacy. At the same time, as the hon. Gentleman rightly says, we must accept the fact that in health services, for example, there might be good reasons for different hospitals, GPs and others to be able to obtain information to provide a better service for patients. It suggests to me that in government, as well as in the private sector, we need to ensure that procedures are far tighter, that people are aware of them, and that they are properly enforced. The Poynter review, as well as other work that is being carried out, will achieve that.

Finally, if we are not answering parliamentary questions on these matters, I will look into that when I get back to the office and try to answer the hon. Gentleman as soon as I can.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): May I welcome the Poynter report, particularly when it refers to committed people with honesty and integrity? I also thank the Chancellor for his comments about the dedicated and hard-working staff. Does he agree that, given all that has gone on in recent weeks at HMRC in Washington, the staff have shown great fortitude despite inaccurate attacks on their town and attacks on their ability to deliver child benefit—which has been massively increased by this Government—to millions of families? That benefit will be particularly welcome and important in the run-up to Christmas.

Mr. Darling: I agree with my hon. Friend. As I said in my statement—and as has been acknowledged in the capability review—there are many people working for HMRC who do a first-class job and who are dedicated to what they do. Many of them have worked for the service for many years. However, we owe it to them to ensure that we have the proper procedures in place so that they can do their job properly, in addition to meeting our principal objective of providing a first-class service to the public and ensuring that, when information is provided on a confidential basis, it remains confidential.

Mr. Michael Fallon (Sevenoaks) (Con): If the Chancellor is really arguing that seven serious breaches of security in the two and a half years since HMRC was founded do not constitute a systemic failure, how many does he think that it would take before the failures could be judged as systemic? Will he also confirm that there has now been an eighth breach of security, at the HMRC store at Coventry airport?

Mr. Darling: Yes, there was a breach of security at the weekend at an HMRC store. I say to the hon. Gentleman that I would prefer to draw my conclusions when I have the benefit of the facts established by Kieran Poynter. I appreciate, having listened to many Opposition Members, that the last thing that they want is the facts.

Mr. Kevan Jones (North Durham) (Lab): May I concur with my hon. Friend the Member for Houghton and Washington, East (Mr. Kemp)? Many of my constituents also work at the child benefit centre in Washington. Does my right hon. Friend the Chancellor agree that it is all very well to have procedures, but that they are useless unless people know about them? Would he care to comment on a story in *The Guardian* last week that clearly stated—possibly based on rumour—that many of the staff in the child benefit centre did not even know about the procedures that were already in place?

Mr. Darling: As I have said on many occasions, it is important to proceed on the basis of the facts to be established by Kieran Poynter, and then to draw our conclusions, rather than to proceed on the basis of what may or may not be in a newspaper.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): Notwithstanding what Poynter may come up with, does the Chancellor recognise that, in years past, this event would have been seen as a serious problem or even a disaster? Right now, however, given the lack of public confidence in the banking system following Northern Rock and some of the huge write-downs that are likely to be announced over the next few months, does he not agree that the Government have a responsibility to make it clear to members of the public where the liability should lie, should any fraud take place? Will he tell us whether he believes that, in the case of fraud, liability should lie with the Government or with the banks?

Mr. Darling: I disagree with the right hon. Gentleman that the two issues can be conflated in the way that he suggests. The loss of data was caused primarily as a result of the two discs concerned being posted in an envelope that was not registered and that did not arrive at its destination. The present uncertainty in the financial markets arose from problems in the housing market in the United States. Yes, it has spread beyond that, but the two issues are not related.

Dr. Tony Wright (Cannock Chase) (Lab): My right hon. Friend is obviously responding correctly to a calamitous event for which he was not responsible. He is taking steps to find out exactly what happened, and to ensure that it does not happen again. May I ask him a question on a slightly wider point? The National Audit Office is concerned with matters of financial audit, but we do not have an equivalent body to deal with matters of administrative or performance audit. A proposal has been made by a former Cabinet Secretary that we need such a body. Do not recent events make the case for such a body even stronger?

Mr. Darling: I am grateful for what my hon. Friend said in the first part of his question. In relation to the second part, that is something that Kieran Poynter might suggest. I do not know; we shall have to wait for him to reach his conclusions. My hon. Friend makes the good point that if there are systems in place, we need to ensure that they work and that they are being operated on a daily basis. Ensuring that confidentiality is in with the bricks in any Government organisation—and, indeed, in any private sector organisation—is very important.

Mr. Edward Leigh (Gainsborough) (Con): But some facts have emerged in recent weeks, have they not? We know now, for instance, that on 13 March the National Audit Office asked for the personal details to be stripped from the data. We know that it was a senior executive officer in HMRC who refused that request on cost grounds because of a contract with EDS—

Mr. Darling *indicated dissent.*

Mr. Leigh: Well, that is what I have been informed by the Comptroller and Auditor General, and we also know from that e-mail that that was copied to the senior process owner. Although we obviously have to await the final recommendations, some things are clear, so will the Chancellor now accept that there needs to be change at the very heart of HMRC, and that the privacy of taxpayers must be sacrosanct and cannot be compromised in any way because of a contract with EDS or cost-saving measures?

Mr. Darling: We do not know all those things, as I believe the hon. Gentleman well knows. The Poynter inquiry, and, indeed, the parallel inquiry of Sir John Bourn on behalf of the National Audit Office, were set up precisely because we need to find the facts before drawing our conclusions. I am not sure whether the hon. Gentleman has had an opportunity to view Mr. Poynter's interim report, but it says that although the e-mail in respect of the first request in March was copied to the person responsible for the data:

> "That email on its own does not prove that the official actually took the decision in relation to the manner in which HMRC should have responded to the request".

What the hon. Gentleman said about that was quite wrong. In addition, I was not going to labour the point, but I should draw the House's attention to the letter written by the second director at the National Audit Office to the same senior official in HMRC on 9 November, in which it is recognised that the way in which the request was communicated—let me put it this way—could have been better. An apology was given for what happened, but let us wait and establish the facts rather than rush to judgment, which the hon. Gentleman has been rather quick to do of late.

Rob Marris (Wolverhampton, South-West) (Lab): May I thank my right hon. Friend for keeping the House informed? Our constituents get sick and tired of being asked for the same information repeatedly by organisations—whether they be in the private or the public sector—particularly when they generally regard the Government as one undivided body, so will my right hon. Friend assure me that his Department will continue with the policy of "ask once, use many times", while at the same time maintaining the highest standards of security and privacy for data?

Mr. Darling: I agree with my hon. Friend that people get fed up with being asked for the same information by what they perceive to be the same organisation. Perhaps that illustrates the point raised by the hon. Member for Twickenham (Dr. Cable)—that if information is to be transferred between Departments, we need to ensure that there are sufficient safeguards so that only the person who is supposed to get the information actually receives it. That is why the review set up by the Cabinet Secretary, Sir Gus O'Donnell, is important to ensure not so much that individual Departments have the right safeguards, but that if information is transferred, it is done in an appropriate way. We need to marry up the two requirements of ensuring confidentiality while also ensuring that when it is in the public interest and the interest of individuals for information to be shared between different organisations, that can happen on a proper footing.

Julia Goldsworthy (Falmouth and Camborne) (LD): After the data loss, the Government set up a helpline so that those affected could discuss their concerns. Will Mr. Poynter's review be looking into the operation of that helpline to determine how many calls were made and also why the decision was made to use an 0845 number, particularly when it costs some mobile phone users 40p a minute to access it? Should those affected be paying through the nose to sort out the Government's problem?

Mr. Darling: No, Mr. Poynter will not be looking into that. If the hon. Lady would care to table a parliamentary question on the number of people who contacted the hotline, I will certainly answer it. We were anxious to make sure that a helpline was available fairly quickly, which meant that all those things had to be organised in a matter of days and we did the best we could. It was quite heavily used on the first day or so, but I understand that usage tapered off after that. We tried to do our best to ensure that help was available, which meant that arrangements had to be made fairly quickly.

David Taylor (North-West Leicestershire) (Lab/Co-op): My 30 years' experience in public sector IT suggests that a prerequisite for secure, stable and successful systems is close end-user involvement at the specification, design, development, testing and implementation stages. In the light of two decades of substantial contracting out of those processes to the private sector, does the Chancellor of the Exchequer expect that Kieran Poynter's

[David Taylor]

final report might question the logic of that continuing process, and urge that the Government try to restore the knowledge and ability within their own ranks so that they can once again be an intelligent client and not be allowed to be sold some duff systems that are utterly insecure in operational practice?

Mr. Darling: That is another case in which it would be best to get Mr. Poynter's conclusions and findings and then decide how we are to proceed.

Anne Main (St. Albans) (Con): When we had the dreadful news about the mess-up over the loss of information, we were reassured that any financial losses, if they happened at all, would be monitored, and people were urged to be vigilant. May I ask what measures have been put in place to prevent inappropriate access to children whose data were included on the lost discs, in case people use that data to make contact inappropriately?

Mr. Darling: As I said in my statement, the banks are constantly monitoring the accounts, and the vast majority of child benefit payments are made through a fairly small number of banks. The banks have been able to check their records back to 18 October, when it is believed that the discs were posted, and have not found any evidence of irregular or unauthorised dealings. They will continue to do that, just as members of the public will be vigilant when they look at their bank statements. We have also been in touch with organisations representing children's interests, and I have spoken to my right hon. Friend the Secretary of State for Children, Schools and Families to see what steps are appropriate. The hon. Lady raises an important point. We must put in place the right procedures and decide in due course whether, and to what extent, it is right to give any publicity to what we are doing in that regard.

Sammy Wilson (East Antrim) (DUP): I welcome the statement but I am not sure that the public will be reassured that their personal details are safe in Government hands, especially as there seems to be a new revelation of inept handling of data by Government Departments every week. Only last week, the Northern Ireland Assembly was informed that 7,000 vehicle owners in Northern Ireland had their details lost when data were sent unsecured through the post. Will the Chancellor assure me that the spot-checks to which he referred in his statement will extend to Government Departments under the control of devolved Administrations across the United Kingdom? In light of the weekly revelations, does he understand why people are increasingly concerned about the introduction of ID cards in the future?

Mr. Darling: I agree that it is important to put in place safeguards, not just for the United Kingdom Government but for the devolved Administrations, and Sir Gus O'Donnell's report makes specific mention of that. I do not agree with the hon. Gentleman, however, about ID cards. As I said to the acting leader of the Liberal Democrats, the hon. Member for Twickenham, an increasing amount of information is held by Government Departments. In addition to that, those in the private sector, whether banks, supermarkets or organisations such as Google, have a remarkable amount of information and can build quite a detailed picture of what each and every one of us does. The point of ID cards is to ensure that that information is linked to the person who is supposed to get it. I see such a mechanism as a safeguard for me as an individual, because I can be far more confident that any information held about me, whether by the Government or the supermarket that I use, will only be released if I am happy for that to happen.

Adam Afriyie (Windsor) (Con): Many of us in the House who have experience of information technology will know that removing a column from a spreadsheet, or removing some data from even a large dataset, can take just a few seconds. Will the Chancellor tell us how much it would have cost to remove the sensitive data from the discs before they were sent?

Mr. Darling: As I said, the whole point of Kieran Poynter's inquiry is to find out all this information, and that is what he is doing.

Mr. Richard Bacon (South Norfolk) (Con): How long can it take Kieran Poynter to establish the answer to that simple question? Dave Hartnett, the HMRC's acting chairman, said two weeks ago that that was one of the items that Kieran Poynter would consider. It would be a very simple matter to find out how much it would have cost to desensitise the data, which would have been easy to do and would have de-risked the whole operation.

Mr. Darling: I asked Kieran Poynter—with, I think, general support—to take a thorough look at what had happened, at the previous incidents, and at anything else that he considered relevant. Inevitably, coming to the House with an interim report that is only three weeks old leaves a number of entirely legitimate questions to be answered, and they will be answered in the final report. I told the House that I would come back when the interim report was ready, and that is why I have made my statement today, but, as Members well know, many of the questions that they are asking will be answered only when we have Kieran Poynter's final report.

Mr. Mike Weir (Angus) (SNP): The Chancellor says that there is no evidence of attempts to commit fraud by means of the data. That may not be altogether surprising, given the immense publicity and increased awareness over the last couple of months, but do the data not give rise to the possibility of fraud for many years to come?

Has the Chancellor had any discussions with the banks about how long they will continue to monitor the affected accounts? Will he also tell us whether the data were sent out with a password or whether the password was sent separately?

Mr. Darling: I think that I said on 20 November, when I made my earlier statement, that the data were password-protected, but I also said that they needed to be encrypted in order to be protected more adequately. Monitoring will continue for the foreseeable future, but one of the things on which I want Kieran Poynter to advise us is what further steps we might take.

Mr. Charles Walker (Broxbourne) (Con): Since this problem occurred two months ago, millions of letters have been sent to families apologising for the fact that their details were given out, and thousands of hours of officials' and police time have been spent on trying to resolve the problem. What, to date, is the total cost to the taxpayer of the clear-up operation?

Mr. Darling: It is not possible to answer that question at the moment. What I will say is that I think it entirely right that the police were called in, entirely right that HMRC has devoted considerable resources to trying recover the data, and entirely right that we should spend the appropriate amount of money in order to find out what happened and then put it right.

Greg Clark (Tunbridge Wells) (Con): The whole House will be relieved to see that the Minister for the Cabinet Office is present, as he is responsible for information security. What discussions has the Chancellor had with the Minister? In particular, when did he brief him on the report that he received in February from Sir Edmund Burton, which said that there was a systemic problem affecting all Departments in relation to information security?

Mr. Darling: I have many discussions with my colleagues about a range of matters, almost continuously.

Mr. Brian Binley (Northampton, South) (Con): The Chancellor has confirmed that a theft took place from a secure HMRC store in Coventry. Will he now tell us exactly what went missing? Did it involve drugs, or guns? What action has been taken to recover the property? Is all this the result of a systems breakdown across the whole service, or of continued procedural lapses that are independent of one another?

Mr. Darling: As I said a few moments ago, I can confirm that various materials have gone missing from a warehouse. [HON. MEMBERS: "What are they?"] The matter is being investigated by the police, and in view of that I do not think I should say anything further.

Several hon. Members *rose*—

Madam Deputy Speaker (Sylvia Heal):Order. It is time for the next statement.

Department for Transport Data Storage and Use

5.3 pm

The Secretary of State for Transport (Ruth Kelly): With permission, I shall make a statement about measures that I am taking to improve the security of personal data in the context of the Cabinet Secretary's review of data across Government. I also wish to update the House on a particular security breach earlier this year relating to the loss of personal—but not financial—data by a private contractor for the Driving Standards Agency. I shall give the details of that incident later in my statement, but first let me explain some of the background.

My Department and its agencies handle hundreds of millions of transactions with road users every year, ranging from the payment of vehicle excise duty to the licensing of new bus or road haulage operators. So that a good service can be provided for customers, personal information needs to be shared between systems. For example, motorists can only renew their car tax online, because the Driver and Vehicle Licensing Agency can check information with the Vehicle and Operator Services Agency and with insurers.

As the Cabinet Secretary has made clear in his interim report on data security, the public have a right to expect that the information they provide to Government will be held securely and used appropriately. Let me therefore set out five key actions that I am taking to apply that principle and improve security of information in my Department and its agencies.

First, recent events have highlighted the risks associated with the physical transfer of data by disc, tape or hard disc drive. Much data transmission by my Department and its agencies is already, or soon will be, by electronic transfer. For example, driving test results are sent electronically from the Driving Standards Agency to the DVLA and MOT results are recorded on computer by garages and then sent, in bulk, to the Vehicle and Operator Services Agency by secure electronic transfer.

I can announce today that the DVLA has created a new link to provide regular information to the police by electronic transmission. After a short period of testing, the present arrangements, which involve the transfer of tapes by secure courier, will cease. I have asked my permanent secretary to work with agency chief executives to accelerate other plans for further transfer of data electronically, wherever that is reasonable and cost-effective.

Secondly, I can tell the House that I intend to move forward with plans to merge two separate databases of registered vehicles that are currently held by the DVLA in Swansea and the Driver and Vehicle Agency in Northern Ireland. The vulnerability that that creates was illustrated by the recent loss of two discs in transit from Northern Ireland to Swansea containing the details of 7,500 vehicles and the names and addresses of their owners. We will remove that risk by merging the databases. That will also enable Northern Ireland agencies to offer a better service, including features such as online car tax, to their customers.

Thirdly, my Department will participate fully in the next stage of the Cabinet Secretary's review—in particular, the arrangements in place in private sector contractors,

[Ruth Kelly]

the transfer of data on removable media and procedures for any data stored outside the United Kingdom. My permanent secretary has also agreed with each agency chief executive that any bulk transfer of data not by electronic transmission will take place only by point-to-point transfer by a secure courier.

Fourthly, to ensure greater clarity of responsibility, my permanent secretary has today written to senior officials in my Department, including agency chief executives, drawing their attention to current guidance on the application of the Data Protection Act 1998. That includes the main principles of the Act, information on handling personal data appropriately, and the role of the Information Commissioner.

Fifthly, in order to increase transparency and in line with the interim findings of the Cabinet Secretary's review, I have decided that my Department and its agencies should cover information assurance issues in their annual reports. That will include a summary of any notifications about data security made to the Information Commissioner.

These measures are particularly important in the light of auditing data security in my Department and its agencies in the context of the Cabinet Secretary's review. In the interests of greater transparency, I should like to draw the House's attention to one such breach that affects a significant number of people. In May this year, Pearson Driving Assessments Ltd, a private contractor to the Driving Standards Agency, informed the agency that a hard disc drive had gone missing from its secure facility in Iowa City, Iowa. The hard disc drive contained the records of just over 3 million candidates for the driving theory test.

The records contained on the hard disc drive were: the name of the test applicant; their postal address; their telephone number; the test fee paid; their theory test centre; a code indicating how the test was paid for; and, where provided, an e-mail address. The hard disc drive did not contain details of any individual's bank account or credit card. It did not contain their driving licence number, nor their national insurance number. It did mot contain their date of birth, nor a copy of their signature. It did not contain the result of their test. The hard disc drive was also formatted specifically to fit Pearson's configuration and as such is not readily usable or accessible by third parties. Pearson has confirmed that there is no external indication of the drive's contents.

In the context of the Cabinet Secretary's review of data, I asked the Information Commissioner for his views on this case and, on Friday afternoon, I received advice on his view of the risks to the public. The Information Commissioner has made it clear that he is concerned about any security breach—especially where large numbers of individuals are concerned. However, he recognises that the risks are lower where the personal data do not include banking or credit card details and where security safeguards are in place to protect the data from third-party access. As a result, on the basis of the information received so far, he has indicated that this case does not appear to present a substantial risk to individuals. He has not therefore advised that notification of each individual is needed. Nevertheless, I apologise for any uncertainty or concern that those individuals might experience. The DSA has provided advice on the direct.gov website and has set up a dedicated advice line for candidates who took their driving theory test between September 2004 and April this year. I can also inform the House that Pearson has already removed the specific risk which led to the loss by using electronic transfer in place of hard disc drives.

I assure the House that I take the security of personal data in my Department and its agencies extremely seriously. The measures that I am taking, and the actions already under way, aim to ensure that transactions of this nature are conducted more effectively and efficiently in future, and to provide greater assurance to the public. I will, of course, keep the House fully informed of progress. I commend the statement to the House.

Mrs. Theresa Villiers (Chipping Barnet) (Con): Following the catastrophic breach of confidentiality at HMRC, we have another serious failure of data security, leaving more than 3 million people at risk of identity fraud. The importance of confidentiality to the Department for Transport's agencies and contractors is particularly acute given the value of information on vehicles and drivers to car criminals and rogue drivers, so it is with great concern that we have listened to today's statement from the Secretary of State. I am grateful to her for giving advance notice of her statement.

Turning to some of the measures that the Secretary of State is taking to improve data security in the future—merging the DVLA and the Northern Ireland Driver and Vehicle Agency database, moving to a secure courier method of transferring data, and circulating guidance on the Data Protection Act to agency chief executives and senior officials—the question we have to ask is: why are these things being done only now, after the disaster at HMRC? Surely they are basic common sense and basic good practice in line with the legislation that the Government themselves voted for? The Secretary of State has referred to the Department's circulating information to agency chief executives, but she has not referred to the contractors working for the agencies, which are the cause of the problem that she has identified today.

Will the Secretary of State confirm that no vehicle details have been lost in this latest data failure? Will she confirm exactly how many people have been affected by the failure? What reassurance can she give to the 3 million young people whose personal data have been compromised? What steps should they be taking to safeguard their interests and minimise the damage caused by the incident? Will she admit that the hard disc was not encrypted, and that it was not even password-protected? Is there any indication of criminal involvement—was there any evidence of a break-in? When were Ministers first informed about the problem?

The Secretary of State has told us that the agency in question was informed in May. Why has she come to the House only now to tell us what has happened? What has been happening in the interim few months to safeguard this data and do something about the problem? What grade of staff were responsible for the breach of the rules announced today? What requirements do the Secretary of State's Department and its agencies require of their contractors for the storage and copying of data on discs by those contractors? What is the structure of responsibility under her Department's data controller to make sure that, right across her Department, its agencies and their contractors, confidentiality rules are complied with? What steps have her Department and its agencies taken to ensure that their contractors make sure that all those with access to data are properly trained and sufficiently senior to understand the importance of complying with these critically important rules?

Have the police been informed of the incident? Are any disciplinary measures being taken as a result of the incident? Will any sanctions be imposed under the Data Protection Act? Were appropriate rules obeyed for exporting data outside the UK, as the data went missing in Iowa? Who gets the bill for any losses arising from misuse of lost data—the taxpayer, or the victim of identity theft? Does the Secretary of State agree that this incident—as well as the HMRC disaster—is another blow to her plans for an untested "spy in the sky" national road-pricing scheme? How can the public possibly trust her Department with information on every journey made by every one of the 33 million vehicles on Britain's roads if it cannot be trusted with the data that it already has?

As far back as February 2006, the Government admitted that they had a problem with data handling by their agencies. The then Minister for Transport announced a review aimed at producing a system that would protect the public from misuse of their information. He emphasised the following:

> "The Government take very seriously their responsibilities for protecting individuals' legitimate expectations of privacy and confidentiality."—[*Official Report*, 16 February 2006; Vol. 442, c. 123WS.]

In the review announced, the Information Commissioner expressed his serious concern about the importance of ensuring that the information overseen by the Department for Transport was protected and properly treated, yet in the past two weeks we have learned that the DVLA sent the personal details, including motoring convictions, of anything up to 1,215 drivers to the wrong people, that it lost data for 7,600 Northern Ireland vehicles and drivers in the post, and that the unencrypted discs were actually posted on 20 and 21 November—after the news of the HMRC disaster was made public.

Taken together with the catastrophe at HMRC, this is further evidence of systemic failure in the Government's handling of private data, and evidence of a basic lack of competence by this Government. Quite simply, the Government are failing in their duty to obey their own laws on data protection, and failing in their primary and fundamental duty to protect the interests of the people whom they were elected to serve.

Ruth Kelly: I was about to congratulate the hon. Lady on the way in which she has treated this matter, and while it is of course serious, we should look at the facts in this case and communicate them, as appropriate, to the public. I think that she acknowledged that in her opening remarks.

It is of course right that there is good practice in government, and that agencies, chief executives of those agencies and the Department for Transport have a duty to follow that good practice, and to make sure that any transfer of data complies with those standards, as indeed should the transfer of data outsourced to contractors as in this case, contractors, including, in a country other than the United Kingdom. In this specific case, the external contractor, Pearson, was under an obligation to follow the principles laid down in the Data Protection Act. There is a "safe harbour" relationship with the United States where that may be appropriate, and these data were outsourced in that spirit.

The hon. Lady asked whether any vehicle details were involved, and I can confirm that they were not. She asked how many people were involved. I said in my statement that just over 3 million individuals were involved. She suggested that the data were somehow sent by post—they were not. As I set out in my statement, a hard disc drive was not found in the secure location of the external contractor in Iowa City where the contractor had expected to find it—on the shelf. It has assured us that it was formatted specifically to Pearson's specific standards in a form that could not readily be accessible to a third party, and that it was not labelled in such a way as to draw overt attention to its contents. I have asked that Pearson notify the police. It tells me that it did not do so originally because it did not believe that a crime had been committed. However, I think it only sensible that the police be informed in this sort of situation.

The matter was first brought to my attention on 28 November. On 3 December, I sought comprehensive advice from the Information Commissioner as we were in the process of establishing the full facts of the case. On Friday afternoon, the Information Commissioner gave us the benefit of his advice, which was that he did not think in this case that the risks to the public were substantial, or that any of the individuals concerned needed to be notified directly. However, it was also said that it was appropriate to make available an advice line and use of a website that people could access. Issues to do with the Pearson contract are, of course, being reviewed by my Department, and if any appropriate action is required, it will be taken.

The right thing to do in such situations is to look at the facts in perspective. We should consider the risk to the public and whether appropriate measures have been taken by Ministers, when they are involved, to ensure that such a situation does not happen again. The Information Commissioner's initial view is, first, that the risk to the public is not substantial, and secondly, that appropriate security measures have been taken. I intend to ensure that the agencies and the Department learn the lessons, and I have identified key actions to be taken that I think will further protect the public in the months to come.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): How many systems in the agencies are not capable of communicating with the Department's own system because they are different? How many of those are being pushed into the shared services system, which is obviously taking some years to bring into operation and does not seem to be working? Finally, given that my right hon. Friend is directly responsible for providing a secure driving agency that is capable of transmitting documents safely from one area to another, why is she not suggesting, not only to her Department but to other Whitehall Departments, that they use their own services, which they know work, rather than hand services over to incompetent people whose services they do not think will work?

Ruth Kelly: I thank my hon. Friend for her comments, and I know how interested she is in the issue of shared services. The particular incident to which I referred in my statement is somewhat different: it concerns how data are backed up by the Driving Standards Agency's external contractors and the procedures that are followed to ensure that those data are properly protected. As I have said, Pearson has been asked to notify the police. The Driving Standards Agency has already instituted a data protection audit of Pearson and is monitoring the contract in that light. These specific data were not readily accessible to third parties. However, she is right that there are lessons to be learned, not just by my Department and its agencies, but across Government. As part of the Cabinet Secretary's review, I am of course making recommendations drawn from the lessons of this experience and learning from other Departments about the sorts of measures that we ought to have in place.

Susan Kramer (Richmond Park) (LD): I thank the Secretary of State for giving me half an hour's advance sight of her statement.

The DVLA has form on mishandling data. In June 2006, it was caught selling data to private companies without adequate scrutiny, and in December this year, not only were confidential details sent to the wrong car owners as part of a survey, but the addresses, names and car particulars of nearly 8,000 owners from Northern Ireland were lost in the post on two uncoded discs.

We now hear the mind-bending news that the records of 3 million candidates for the driving test are missing on a hard drive from what is interestingly called a "secure facility" belonging to a company in Iowa. If that happened last May, why was the Secretary of State—never mind this House—not informed? Is it not outrageous that the victims have not been informed? I challenge the idea that this is not substantial—an e-mail address was included among the information. One can only imagine the e-mails to people saying, "Excuse me, but your payment for your driving test did not clear, so could you please resend the details?" Will the Secretary of State confirm that the information was sufficient for fraudsters to use to create false identities? Does she know, or has anyone checked, whether any of the data have been used fraudulently? What information has been passed to the people involved so that they can put in place some kind of protection?

The Secretary of State said that the information was outsourced in the spirit that it should be taken care of, but surely much more than that is involved. The message is clear: the culture must change. She has been saying that electronic data transfer will provide adequate protection, but even the Pentagon has been hacked into, so surely that would just change the method by which data are either lost or stolen. Does she not agree that the Government should be minimising data holding and that rapid destruction of data should become part of their culture?

While she is at it, will the Secretary of State be kind enough to tell me when she will answer the questions on data handling that I asked her Department on 27 November? Perhaps those questions were the reason why she got the information about Pearson on 28 November. Because I have received no answer, I would be interested to know what other information has gone missing that would be exposed by those questions.

The magnitude of the loss that the Secretary of State announced will not be obscured by the measures that she mentioned, worthy though they might be, or those that the Chancellor announced a few moments ago. If my bank behaved like this, I would change it. Is not that an important message for the Government?

Ruth Kelly: I draw the hon. Lady's attention, yet again, to the facts of the case. She talked about her bank, but there were no bank details involved in this instance. The data lost were the names of individuals, their addresses, their telephone numbers and, where provided, their e-mail addresses. I take every instance of data loss seriously, which is why I asked the Information Commissioner to review the entirety of this case, how it had been handled, what security measures had been put in place and to assess the risk to the public. He made it clear that he did not think that the facts as he knew them meant that the loss represented a substantial risk to a significant number of people. I apologise to those who have concerns as a result of the loss, which is why I thought it also appropriate that the Driving Standards Agency develop an advice line, to which people can turn if they are worried about the data loss, and to ensure that direct.gov.uk, the website, had information for those people.

The important point is whether we have put the matter right and whether we are learning the right lessons for handling data both in the Department for Transport and its agencies, and across Government, so that we can share information appropriately and ensure that it is adequately protected. The hon. Lady suggests that we should minimise the handling of personal information and not have large databases of personal information, but if people are asked whether they want to sort out their MOT or their tax affairs online, they will probably say that they do. Data handling is becoming more complex by the year, and indeed by the month. The important point is achieving the correct balance between the need for personal privacy and the desire and expectation on the part of the public that we provide a top-quality service.

The hon. Lady also mentioned specific cases that have come to attention in the last couple of weeks. It is true that there was an incident concerning the DVLA and the details of just over 1,000 individuals, which was due to a manual error. Procedures have been put in place that will minimise the risk of that occurring again. It is also the case that the Northern Ireland Driver and Vehicle Agency sent information by post that was subsequently mislaid by Parcelforce. I have asked my officials to examine whether plans to merge the two databases in Northern Ireland and Swansea could be accelerated in the light of the recent incident. The important point is that Ministers and the Government learn the lessons and ensure that people are appropriately protected in future.

Mrs. Siân C. James (Swansea, East) (Lab): The DVLA is in my constituency and it is, in effect, a large paper factory, with more than 100 million pieces of mail going out every year and 1 million pieces of mail coming in every week. It holds the records for 80 million people. I welcome what the Secretary of State has said about improving electronic transfer, but I urge her to ensure that adequate funding and training are also included, because without it we cannot take the staff and the agency forward into the 21st century.

Ruth Kelly: I thank my hon. Friend for her comments. One of the lessons that will become apparent as a result of the Cabinet Secretary's review of data handling across Government is that it is appropriate not just to have good guidance but to make sure that staff are appropriately trained to deal with data in a sensitive way. Compliance with arrangements, as well as dissemination of those arrangements, is of course a top priority.

Sir George Young (North-West Hampshire) (Con): What financial penalty will be visited upon Pearson for this breach of confidentiality?

Ruth Kelly: One of the issues that my officials are examining is whether there has been a breach of contract by Pearson and, if so, whether any financial penalties would be appropriate. That examination is continuing.

Dr. Stephen Ladyman (South Thanet) (Lab): As my right hon. Friend said, the Department for Transport and its agencies handle huge amounts of data—hundreds of millions of transactions every year. Do not these particular breaches stand out because they are so unusual and because everybody involved—civil servant and private contractor—has acted with commendable openness and frankness? In a world in which human beings are involved and mistakes are bound to happen, is it not true that the only thing that really protects us is when people are open and frank about those mistakes? The people involved should actually be congratulated on coming forward, because if Pearson had chosen not to tell anyone about this, we would not know about it even today.

Ruth Kelly: I congratulate my hon. Friend; I know he takes an interest in these matters. It is important that private sector contractors who deal with any agency of the Department for Transport or any part of Government feel that it is in their best interests to come forward, that the matter will be dealt with appropriately, that lessons are learned and that measures are put in place to minimise the risk of the problem happening again.

Mr. Gregory Campbell (East Londonderry) (DUP): In both the Iowa and the Northern Ireland case, what assurance can the Secretary of State give that there was not sufficient data on the discs that went missing to allow fraudsters to compile a useful database which they could use to cold-call many thousands of people for scams such as car insurance and the like?

Ruth Kelly: I can only reiterate the facts of what went missing on the hard disc drive in Iowa City. The hard disc drive did not contain the details of any individual's bank account or credit card, nor their driving licence number or national insurance number; it did not contain their date of birth or their signature. All such information would be relevant to creating fraudulent identities. Specifically, the financial data were backed up separately from the personal data, and the Information Commissioner looked at that. He has concluded that there was not substantial loss to a significant number of individuals, and that is an important and relevant conclusion.

The Information Commissioner has also asked about the Northern Ireland case. The case of the Driver and Vehicle Agency in Northern Ireland is slightly different. It involved the details of 7,685 vehicles registered in Northern Ireland and the data consisted of the registered keeper's name and address and vehicle data details, such as the registration mark, chassis number, make, model and colour. However, there were no financial details on the discs and the Driver and Vehicle Agency has written to all the individuals affected and established an advice line. It has flagged the computer records of all those involved, to alert staff in the event of any attempt to misuse the data.

Mr. Philip Hollobone (Kettering) (Con): Learner drivers in Kettering will be amazed to find that some of their personal details will have been on a hard disc drive in Iowa. How many other agencies engaged by the right hon. Lady's Department hold supposedly secure and personal information on hard disc drives in other countries?

Ruth Kelly: As far as I am aware, this is the only instance of bulk details of personal data being held abroad. It is also the case that all individuals are now notified that their data will be processed abroad.

Mr. Mike Weir (Angus) (SNP): Given that the lapse was on the part of a private contractor, Pearson, given that the Secretary of State's Department allows data out to other private contractors—most notably those who run private car parks who want to identify and pursue people who have parked for too long at, say, a supermarket—and given the many problems now being experienced with Government data, is it not time to review the whole process of allowing Government data outside a Department so that we keep Government data within government and do not use it for outside financial reasons?

Ruth Kelly: The hon. Gentleman makes an interesting point. Certainly, where we can take measures to minimise the risk of data loss—such as accelerating the electronic transfer of data, or merging databases where possible, and making sure that secure couriers are used for point-to-point transfer of bulk data—we should do so. However, in the light of these events, we should also think in each and every case whether it is appropriate to send data to a third party; or process data on behalf of a third—which may be a more appropriate response to the handling of individual data.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Is it not a contractual term in all the Department's dealings with contractors to keep personal data secure, and if it is not, why on earth not?

Ruth Kelly: Of course it is. It is not clear that the Data Protection Act has been breached in this case, given that the Act is based on eight principles, the seventh of which refers to appropriate safeguards being in place to secure the adequacy of security relating to individuals. In this case, it is clear that there were measures in place, even though they were not effective in this particular instance. We want to learn the lessons from that and to minimise any further risk of loss of data.

Mr. Charles Walker (Broxbourne) (Con): I thank the Secretary of State for making her "clear the decks before Christmas" statement. The real scandal is that any person setting up a dubious parking scheme can

[Mr. Charles Walker]

access the private details of vehicle owners from the Driver and Vehicle Licensing Agency. Will the Minister tell us what protocols are in place to ensure that organisations are fit and proper, and in a legitimate position to access the details of private car owners, who have often been caught unawares in illegal private car parking schemes?

Ruth Kelly: The hon. Gentleman is absolutely right to say that there have to be secure standards for relationships with third parties that use Government information. On the other hand, the standard of service that individuals want and expect from Government is such that data sharing is an inevitable part of modern life. People expect us to be able to share data appropriately while maintaining safeguards that will secure the use of their data. Of course, third parties need to follow the Data Protection Act. They also need to follow minimum security standards, as set out in the Government handbook. As a result of the audit that I am carrying out, and that the Cabinet Secretary is carrying out across Government, we will be looking at how data are used right across the Department and its agencies to make sure that the balance is appropriate.

Anne Main (St. Albans) (Con): Given that the loss was discovered only when someone could not locate the hard disc drive on some dusty shelf, will there be an audit of what hard disc drives are being stored, whether they are all where they ought to be, and whether the Secretary of State is happy with the security where they are stored?

Ruth Kelly: There will be a full data protection audit across both the Department for Transport and its agencies—as there will be across Government, in the light of the Cabinet Secretary's review. As I have already made clear, there is only one circumstance of which I am aware in which data are held in bulk outside the United Kingdom. It is important to have proper safeguards in those instances too. The Driving Standards Agency is bringing forward plans for a full data protection audit of the facility in the United States to make sure that people can be appropriately assured.

Paul Flynn (Newport, West) (Lab): For more than 50 years I have been turning up at post offices with a handful of documents and undertaking the tedious chore of getting a new tax disc for the car. For the first time this year I registered online. It was all over in about two or three minutes. Although this lapse is lamentable, should we not thank the authorities and congratulate them on providing a splendid high-tech service for acquiring tax discs?

Ruth Kelly: I thank my hon. Friend for his comments. He is right to bring to the attention of the House the importance of being able to access services online and in the most convenient form for the user of that information. If that means that instead of going to a tax office it is possible to get one's tax handled online, that will lead to a huge improvement in customer satisfaction. My Department and its agencies have been at the forefront of these developments and have won various awards for the way in which they deal with customers, making it much easier to access services as a result.

Points of Order

5.39 pm

Bob Spink (Castle Point) (Con): On a point of order, Madam Deputy Speaker. Have you had a chance to see the written statement—No. 22 on today's Order Paper—by the Secretary of State for Transport on the Dartford crossing charging scheme's accounts? Given that the Bill that set up the crossing scheme stated that the charges would be entirely removed when the scheme had paid for itself, which has now happened, would it not have been better to have had an oral statement in the House so that hon. Members could have questioned the continuing, improper and hard-to-afford charges that our constituents have to pay?

Madam Deputy Speaker (Sylvia Heal): Whether Ministers decide to make a written or oral statement is not a matter for the occupant of the Chair. I think that the hon. Gentleman will have opportunities to follow up that point, not least, perhaps, during tomorrow's debate on the Christmas Adjournment.

Paul Flynn (Newport, West) (Lab): On a point of order, Madam Deputy Speaker. A written statement has been made today on the Government's decision to give justice to the 140,000 pensioners who were robbed of their pensions. Was it not a shame that we did not have an oral statement so that we could congratulate the Government on achieving that very just outcome, which has brought great satisfaction, and a wonderful Christmas present, to 140,000 robbed pensioners?

Mr. Oliver Heald (North-East Hertfordshire) (Con): Further to that point of order, Madam Deputy Speaker. Would it not be better—

Madam Deputy Speaker: Order. Let me make it clear that we are not about to enter into a debate on that written statement.

Mr. Heald: I fully appreciate that, Madam Deputy Speaker. However, would it not be right to congratulate the campaigners who have spent many months fighting hard for justice?

Madam Deputy Speaker: I can only repeat what I said earlier: it is entirely up to Ministers to decide whether to make a written or oral statement. No doubt they will be pleased to read the remarks that have been made in the Chamber.

BILLS PRESENTED

European Union (Amendment)

Secretary David Miliband, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Mr. Secretary Straw, Secretary Jacqui Smith, Secretary Des Browne, Secretary Alan Johnson, Mr. Secretary Alexander, Mr. Secretary Hutton and Mr. Jim Murphy, presented a Bill to make provision in connection with the Treaty of Lisbon Amending the Treaty on European Union and the Treaty Establishing the European Community, signed at Lisbon on 13th December 2007: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. Explanatory notes to be printed [Bill 48].

Citizens' Convention

Julia Goldsworthy, supported by Mr. Douglas Carswell and Mr. David Chaytor, presented a Bill to establish a Citizens' Convention to facilitate the involvement of people from all sections of society in considering the way in which the United Kingdom is governed; to make provision relating to the implementation of recommendations made by the Convention; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 25 April, and to be printed [Bill 49].

Orders of the Day

National Insurance Contributions Bill

Order for Second Reading read.

5.42 pm

The Financial Secretary to the Treasury (Jane Kennedy): I beg to move, That the Bill be now read a Second time.

This short Bill has two purposes. First, it allows us to deliver the package of personal tax reforms announced in this year's Budget. By allowing the upper earnings limit to be aligned with the point at which higher rate tax starts to be paid, the Bill makes it possible to simplify the UK's tax and national insurance system significantly. From April 2009, there will be just two main rates of income tax. They will apply to the same bands of income as the two rates of national insurance contributions, thus creating one of the simplest personal tax structures of any developed country. Income tax will be just 20 per cent. for those earning less than £43,155 a year.

Secondly, the proposals in the Bill are central to the Government's commitment to provide a solid and simpler state pension. By bringing forward the introduction of the upper accruals point, the Bill returns the timetable for the removal of the earnings-related state second pension to that recommended by the Pensions Commission. That will mean that by about 2030, the very complex earnings-related structure of the state second pension will be withdrawn, leaving behind a flat rate scheme that will be simple to administer and simple to understand by both contributors and pensioners. I should like to explain each of those purposes in a little more detail, starting with the changes to the upper earnings limit.

As the House will know, the changes are part of a package of reforms to the personal tax system announced in this year's Budget by my right hon. Friend the Prime Minister. That package is not for debate today, as the majority of the changes will be legislated for in next year's Finance Bill, to which I look forward, albeit with some trepidation. The reforms will take 600,000 pensioners out of income tax altogether, and will help to lift 200,000 children out of poverty. A central part of the package is the alignment of the national insurance upper earnings limit—that is, the point at which national insurance contributions become payable at 1 per cent., rather than 11 per cent.—with the level at which higher rate income tax becomes payable. The same will happen to the upper profits limit, which is the equivalent point for the self-employed—the point at which national insurance contributions become payable at 1 per cent., rather than 8 per cent.

Moving both those limits will be a two-stage process. In the 2008-09 tax year, the upper earnings limit will be increased to £770 a week. In 2009-10, it will increase again, to align with the level at which higher rate income tax becomes payable. The second stage of that increase requires a change to primary legislation, and that change will be made by the Bill. At present, the maximum upper earnings limit is restricted to seven and a half times the primary threshold—the point at which national insurance contributions start to be paid. To align the two systems from 2009-10, that restriction needs to be removed, and the Bill makes that possible. It means that by 2009, the two main rates of income tax will apply to the same bands of income as the two rates of national insurance contributions, creating one of the simplest personal tax structures of any developed country.

The House will want to know that there will be effective parliamentary scrutiny of the upper earnings limit once the restriction on it being more than seven and a half times the primary threshold is removed. I am pleased to be able to tell the House that the annual regulations setting the upper earnings limit will be subject to the affirmative procedure, so Members of both Houses will have the chance to debate any increase.

I should like to deal straight away with the claims that the increase to the upper earnings limit represents a stealth tax rise. As we have made clear, the measure should not be seen in isolation, but as part of a package of reforms that will leave four out of five households better or no worse off, and that will take 600,000 pensioners out of income tax and 200,000 children out of poverty.

I now turn to the Bill's second purpose.

Several hon. Members *rose*—

Jane Kennedy: I had wondered if everyone was asleep. I give way to the right hon. Member for Wokingham (Mr. Redwood) first.

Mr. John Redwood (Wokingham) (Con): I am grateful to the Minister. Will she remind the House how much extra tax somebody on £45,000 a year will have to pay when the measure is fully in operation?

Jane Kennedy: There will be some losers as a result of the personal tax package, but the overall net effect of the changes to the Exchequer will be a cost of about £2.2 billion, so the idea that there will be a greater tax take overall simply does not stand up to real, detailed scrutiny. However, I may not have the answers to technical questions such as that asked by the right hon. Gentleman at my fingertips. I give way to the hon. Member for North-East Hertfordshire (Mr. Heald).

Mr. Oliver Heald (North-East Hertfordshire) (Con): I am grateful to the right hon. Lady for giving way. Is she seriously saying that £1.5 billion does not ring a bell? That is the amount that the measures will bring in to the Treasury in 2009-10—an extra £1.5 billion. It is laughable to suggest that we can consider the measure in 2007 prices, and then say that it will cost the Treasury £2.2 billion.

Jane Kennedy: The hon. Gentleman is right: increasing the upper earnings limit for national insurance by £75 a week above indexation from April 2008 raises £1.5 billion, when one adds in the fact that, from April 2009, it will be fully aligned with the higher rate threshold. My point is that taken overall, the simplification package is a serious, significant step forward. In particular, it allows us to target our assistance on people on the lowest incomes, and on households in the greatest need of support.

I give way now to the hon. Member for Northavon (Steve Webb), who I was rather hoping would not be present for the debate, as he is one of those who knows the subject inside out and backwards.

Steve Webb (Northavon) (LD): I shall take that in the spirit in which it was intended.

The Minister said at the beginning that the *Bill* simplifies the system, and clearly it does. We have aligned rates and thresholds, but national insurance for employees and income tax are still very different taxes. One is annual, one is weekly, they have different tax bases, and employers often say that they do not see why they have to levy two taxes on their employees. They would prefer to levy one. Do the Government have any plans to consider whether the two taxes should be merged in the name of simplification?

Jane Kennedy: We do not have any plans to make that change, but we can of course debate the point. Income tax and national insurance contributions serve two separate purposes. We base our assessment of an individual's entitlement to benefits on national insurance contributions. If we were to merge the two, we would have to reinvent systems for making that assessment, and I would have to be persuaded that it would be a benefit all round, and that it would not create further complexity of the sort that we are trying to remove.

I return to matter of the state second pension and the Bill's second purpose. At the time of the pre-Budget report in October, my right hon. Friend the Chancellor announced that the introduction of the upper accruals point would be brought forward to 6 April 2009. The upper accruals point is a new threshold for the calculation of both state second pension and contracted-out rebates. It replaces the upper earnings limit in both the state second pension and rebate calculations, and it was planned for introduction from 6 April 2012 at the earliest. That was legislated for in the Pensions Act 2007.

However, the upper accruals point needs to be introduced earlier in order to ensure that the state second pension reforms can be introduced as intended, with a flat rate state second pension from around 2030. This is the result of the above-inflation increases in the upper earnings limit that we have just been discussing, which would otherwise have a knock-on effect and would have delayed the timetable for delivery of a flat rate state second pension, because the upper accruals point would have been at a higher point in 2012 than was originally expected.

The above-inflation increase in the upper earnings limit would also have meant higher earners potentially making anomalous gains in their pensions, over and above the White Paper pension reforms, because the state second pension accrues on the portion of earnings between the lower and upper earnings limit—a band that will become wider.

Mr. Heald: When the right hon. Lady talks about an anomalous benefit, does she not mean that when people paid their national insurance contributions, they would get something in return, whereas under the arrangement that she is putting in place, between the accruals point and the upper earnings limit, they will get nothing for their money?

Jane Kennedy: There was a high degree of consensus about the pensions reforms that were introduced as a result of the pensions White Paper last year. Part of that was a consensus about a flat rate state second pension. The change that we are making today is to get us back on track to achieve that by 2030.

Mr. Heald: My point is that by bringing the accruals point forward three years to 2009, the Chancellor is taking the opportunity to trouser some money—about £2 billion. That is the truth of it, is it not?

Jane Kennedy: No. The truth is that we had a projection of how the reforms would work out, and in order to keep to that projection, we are making the changes that we propose today. I do not accept the hon. Gentleman's description of the situation.

Paul Rowen (Rochdale) (LD): That statement would be acceptable if the Government were using the extra £2 billion that will be raised over the next few years to introduce the earnings-related pension link much sooner. Why are they not doing that, rather than trousering the extra £2 billion?

Jane Kennedy: It is true that we are bringing forward the state second pension upper accruals point, which raises £0.3 billion from higher rate taxpayer contracted-out rebates. However, by raising the personal allowances for pensioners by £1,180, we are taking the allowances by 2011 to around £9,770 for anyone over 65, and with a further increase, to £10,000 for anyone over 75. That costs the Exchequer £0.9 billion. That is why I say that I do not recognise the description offered by either hon. Gentleman.

The increases which I have described as the anomalous gains in their pensions that higher earners might have made were not the intention of the personal tax package that was debated at length in this place and the other place earlier this year, and they would have been counter to our objectives of concentrating resources on providing a more generous flat rate state pension for all.

A further effect would have been a larger than expected increase in the band of earnings on which contracted-out rebates are paid. This is because the rebate reflects the state second pension forgone, and is again paid on earnings between the lower and upper earnings limits. Again, this was never intended to be the effect of the personal tax package.

By introducing the upper accruals point in 2009 rather than 2012, the Bill prevents most of those anomalous gains, as I tried to explain in our exchanges, as well as returning the timetable for the removal of the earnings-related state second pension to that recommended by the Pensions Commission. The new point—the upper accruals point—will be introduced at the level of the upper earnings limit in 2008-09, which is expected, as I said, to be about £770 per week.

From that date, the upper accruals point will replace the upper earnings limit as the threshold for the calculation of both state second pension and contracted-out rebates. It is proposed that it will be frozen in cash terms at its introductory level, so that the band of earnings on which the current earnings-related state second pension and contracted-out rebates are based will reduce year on year.

Mr. Redwood: I am grateful to the Minister for giving way again. Can she remind the House how much worse off somebody will be when they get to their state second pension if they are earning a sum above the

[Mr. Redwood]

current upper earnings limit? They will lose their earnings-related element and go over to the flat rate, as I understand the scheme.

Jane Kennedy: There are a range of factors that will affect people at that point. If the right hon. Gentleman will allow me, I shall seek to get the detail that he asked for during the debate.

Rob Marris (Wolverhampton, South-West) (Lab): My right hon. Friend is being extremely patient. Is not the political import of the total package that the Government propose a certain rebalancing, so that the prosperous in our society may pay a little more and the less prosperous may obtain a little more? If that be the case, does she share my surprise at some of the comments from both main Opposition parties about trousering an extra £2 billion, when both parties, on paper, are in favour of lessening the inequalities in our society—as the Government rightly are as well?

Jane Kennedy: I agree with my hon. Friend's point and thank him for making it. It is true that the package of changes results in some people paying slightly more income tax, but overall the changes that we have put in place since 1997 mean that households are very much better off than they were previously, as a result of all the reforms that we have introduced.

May I say to the right hon. Member for Wokingham (Mr. Redwood) that no one loses out because of the withdrawal of the earnings-related element of state second pension or because of the new cap on state second pension or national insurance contributions rebate? The introduction of the upper accruals point would affect the state second pension entitlement or contracted-out rebates only for high earners and their employers—those earning above the upper earnings limit of about £35,000 a year. The right hon. Gentleman's point is taken. However, as I have said, in the context of the whole range of changes that we have made, higher earners will still—even in the short term—receive a slightly higher state second pension entitlement or contracted-out rebate compared with the intended pensions White Paper outcome, as they will still receive a small gain in state second pension or contracted-out rebate between 2008 and 2012. There are a number of swings and balances that in the end lead to benefits rather than negatives.

Mr. David Gauke (South-West Hertfordshire) (Con): The Financial Secretary is arguing that nobody loses out.

Jane Kennedy: I did not say that.

Mr. Gauke: Right. Well, I want to make it clear that the HMRC impact assessment refers to the 2.1 million people with earnings above the upper earnings limit who have contracted out. The assessment states:

> "These individuals will either see a reduction in their take home pay (as they will get a lower rebate on their NICs than would otherwise have been the case) or a reduction in the money that goes into their pension scheme compared to not introducing the UAP until 2012/13."

Does the Financial Secretary agree?

Jane Kennedy: We will be able to discuss the detail in Committee. Members from Opposition parties, and perhaps some on the Government Benches, will want to probe a number of points in detail. Although we are simplifying things in carrying out this change, there are complexities around it and interplaying factors in respect of how individuals are affected—*[Interruption.]* I am trying to say that I accept that there are criticisms of the package that we have put forward. However, when it is taken in the round and in the context of the reforms that we have introduced over a long period, few will be absolute losers as a result of the overall package.

The changes will mean that from 6 April 2009, all employers will have to calculate, record and report additional information for employees with earnings above the upper accruals point. Although that will require changes to their payroll records, the information is essential for state second pension purposes and the calculation of contracted-out rebates. As we have just discussed, there has been some speculation about potential losses in state second pension entitlement and rebates. Although the proposals to introduce the upper accruals point in 2009 will affect some high earners, state second pension accruals and rebates for that group are still expected to be higher than those envisaged in the pensions White Paper.

In conclusion, the Bill is important and necessary. It allows us to implement a personal tax package that reduces child poverty, in which I am particularly interested. I am proud of that. It also takes pensioners out of income tax and creates one of the simplest personal tax structures of any developed country. Furthermore, it allows us to return to the timetable for the introduction of a simple flat rate state second pension scheme. I commend it to the House.

6.3 pm

Mr. David Gauke (South-West Hertfordshire) (Con): It is a pleasure to speak on this Bill, although it will not catch the headlines as some do. Today there have been three oral statements and 24 written statements—we are getting close to the recess, and it seems to be Government "put out the trash" time. The Bill may not even lead the debates on specifically Treasury issues; we have had the Poynter review, the security breach in Coventry and the row between the Treasury and the Bank of England on Northern Rock.

However, we are debating the last legislative business before the end of the year—and I am delighted that we are. Although the Bill has been described as essentially technical, we can see from its contents and the story of how we got here a number of the attributes of the Government, and they go a long way in explaining some of the difficulties that the Government face.

The first difficulty is that the Bill is, for all its technicalities, about a tax increase—two of them, in fact. As we have heard, the first increase relates to the national insurance contribution changes announced in the 2007 Budget. Hon. Members will recall it well: the then Chancellor announced with a flourish the 2p cut in income tax, and perhaps he achieved a tactical success. However, it soon emerged that he had made a strategic error, as the Budget became known as being about a tax con, not a tax cut. The national insurance change was part of that package of measures. As we listened to the then Chancellor on 21 March 2007, it was not clear what was being announced. He announced an increase in the level at which the top rate of income tax would be payable, increasing it from £38,000 to £43,000. However, he then said:

> "I will align the income tax system with the national insurance system, with its ceiling set at the same threshold of £43,000".—[*Official Report*, 21 March 2007; Vol. 458, c. 826.]

I do not know whether it was clear to other Members—it was not entirely clear to me—but he had just announced a tax increase of £1.5 billion a year.

The argument for the alignment is that it promotes simplicity, and it is good to argue for simplicity; the Conservatives have been doing so for some time. We approve of simplicity. However, by aligning national insurance with income tax in that way, the Government have essentially imposed yet another stealth tax. The Chancellor has argued for simplicity in the reform of capital gains tax, although he does not do so as much these days. When the Government talk about simplifying the tax system, taxpayers need to start checking the spoons.

The second tax rise is the reform of S2P, or the state second pension. I shall return to the details a little later, but as my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) pointed out, contributions that were once made towards earnings-related benefits now contribute towards nothing—they are just contributions to the Exchequer. The Exchequer will raise an additional £500,000 a year on rebates to opted-out schemes. Earlier, I quoted from the HMRC impact assessment. It said that 2.1 million people with income above the upper earnings limit are contracted out of S2P and that:

> "These individuals will either see a reduction in their take home pay (as they will get a lower rebate on their NICs than would otherwise have been the case) or a reduction of the money that goes into their pension scheme".

The Exchequer Secretary to the Treasury (Angela Eagle): Do I take it from what the hon. Gentleman has said that the consensus on pension reform is now broken and that the Tory Front Bench position no longer supports having a flat payment for the state second pension by 2030?

Mr. Gauke: Later in my speech I shall address in greater detail the particular issue with pensions, but I should say that we support flat-rating as part of a package. The point is that this change is breaking that package up. That is one of our many difficulties with the Bill.

Rob Marris: I am grateful to the hon. Gentleman for showing his usual generosity and politeness in giving way. Is the Conservative party in favour of the redistribution of wealth to address some of the inequalities in our society, or is it not?

Mr. Gauke: We believe in addressing poverty.

Let me address the issue that we face. The distinction between the two elements and the breaking up of the package are a consequence, it would appear, of an enormous oversight that goes back to the Government's changes to national insurance contributions announced in the March Budget. The Government's position is that as a consequence it is necessary to change S2P as proposed in the Bill in order to address the matters mentioned by the Financial Secretary.

That prompts the question why the proposals were not identified in March 2007. The Pensions Policy Institute identified the issue in its briefing published shortly afterwards, as well as the concern that the approach appeared to be inconsistent with what the Government were attempting to do. My hon. Friend the shadow Chief Secretary to the Treasury raised the matter some months ago, long before October, in a number of parliamentary questions.

The apparent oversight and the fact that the Treasury did not spot the problem is striking because of the fact that when the revenue impact of the Budget announcements was calculated, which the Treasury would have had to do as part of the process of producing the Red Book, it presumably should have taken into account the additional liability for additional earnings-related benefits and, in particular, the additional rebates for those who have opted out. I assume that that was done.

If I am wrong, I hope that Ministers will correct me in the course of the debate. If it was not done, the figures in the Red Book are clearly inaccurate. We have had no indication from the Government that that is the case, so I assume that the figures in the Red Book are accurate, and that they took into account the fact that additional rebates would have to be paid over the years ahead. However, once it was spotted somewhere in the Treasury that that was an issue, it would appear that nothing was done about it.

Why was no announcement made in March? As is so often the case with the Government, we are left to ask whether there was some kind of concealment or whether the problem was incompetence. I do not take the cynical view—certainly not in this case. However, some hold the view that the then Chancellor was on the brink of becoming Prime Minister and did not want any further tax increases, particularly in connection with pensions, where his reputation was perhaps not all that it might have been; he therefore glossed over the issue and left it for his successor. I do not hold that view. I think that the problem was just not spotted. Perhaps Ministers could confirm that it was not spotted.

I believe that the problem was not spotted, particularly because of the suspicion that there was a breakdown of communication between the Treasury and the Department for Work and Pensions at the time. Even at the best of times, the then Chancellor—now Prime Minister—has not been renowned for his openness with other Departments. He is not necessarily the easiest person to work with. After all, the then Secretary of State for Work and Pensions, who is now the Secretary of State for Business, Enterprise and Regulatory Reform, was the Cabinet member who was widely believed to have said that the then Chancellor would make an "awful Prime Minister"—I spare the House the other adjective used.

Steve Webb: I hesitate to bring the hon. Gentleman back to the Bill, but may I clarify? His position is that there are two elements in the Bill, the first of which is a national insurance increase, which he opposes, and the second of which is a cut in rebates and state second pension entitlements, which he opposes. Will he therefore vote against the Bill today?

Mr. Gauke: We will vote against the Bill.

Mr. Charles Walker (Broxbourne) (Con): So you can't go home early.

Mr. Gauke: As my hon. Friend says, we cannot go home early. I am sorry to disappoint hon. Members.

This is not just to do with incompetence. It would appear that the problem was incompetence because of the secretive and distrustful way of working of the former Chancellor, who failed to consult and isolated his internal opponents.

Mr. Redwood: To reinforce my hon. Friend's point that this is a tax increase and not a pension contribution, will he confirm that the money will not only be collected before the pensions are paid out but will be spent on general Government expenditure and not saved for future pensioners?

Mr. Gauke: I am grateful to my right hon. Friend, as he brings me to the issue of pensions. He is absolutely right. The Government should have been sensitive on the subject of pensions. Another of the Government's attributes is that they have inflicted great unfairness on those saving for pensions. Of course, I refer to the £5 billion tax raid on pension funds. I know that an announcement on occupational pensions was made today, and I am grateful for it, but the Government have been dragged kicking and screaming to make those concessions. I congratulate the campaigners who have achieved that.

The rebates provided for those who opt out of the state second pension are less than the value of those recommended by the Government Actuary's Department. Fairness on the subject of pensions is not something of which the Government can be proud. There is unfairness here, too. The essential point is that the S2P is a contributory system but that people will make additional contributions without receiving additional benefits.

Angela Eagle *rose*—

Mr. Gauke: May I finish my point? The Government argue—I suspect that this might be the point that the Exchequer Secretary was about to make—that flat-rating was part of the package under the pensions legislation. Absolutely. However, it was part of a package. It is being brought in now when we may not see the rest of the package until 2012 at the earliest, and possibly 2015. We have to remember that that will all be dependent on the economic conditions at the time and on whether the fiscal circumstances will allow it. It is a long way off, and I am certainly not going to make any predictions about the economic conditions, but it is perfectly possible that in 2009 these proposals will come in and that the upper earnings limit and upper accruals limit link will be broken, while the rest of the package is delayed for six years, or even more.

Angela Eagle: Will the hon. Gentleman answer the question that I asked before? The changes restore the original nature of the pensions package because of the changes to the upper earnings limit. Is he telling the House that the cross-party consensus on flat-rating the state second pension by 2030 is now broken because his party has decided that it no longer supports it?

Mr. Gauke: We support the principle of flat-rating as part of a package. The Government broke up that package because of the incompetence of introducing a measure in March 2007 when they had not worked out the pensions contributions. The Government got themselves into this mess. The only way in which they can resolve it is by unfairly levying national insurance contributions on earners who will not receive any benefits as a consequence. Earnings-related contributions will not receive earnings-related dividends. The Government are imposing that unfairness on 2.1 million people because they failed to understand what they were doing in March 2007. They may say that it was always the original intention to make this move, but it was as part of a package; and now we have to take it on trust that the Government will actually deliver on these measures, because, rather than doing everything all at once, the Government have got themselves in a muddle.

If economic conditions do not permit the implementation of the Pensions Act, will these provisions be reversed? There would be a logic to that. Ministers say that this is all part of a package being implemented over a period of time, but I doubt that that will happen. That is a good reason for being sceptical about the proposals, and for not giving them our support.

Rob Marris: If the Bill receives its Second Reading—which is quite likely, given the mathematics of the House—it will go into Committee. If that were to happen, and as it is an enabling Bill, would the Conservatives support it if it were amended to give it a commencement date of 2012 at the earliest, rather than of 2009, which has been announced verbally but which I do not think is in the Bill?

Mr. Gauke: We would look carefully at such a proposal, but we have other concerns with the Bill. We shall certainly want to examine a number of amendments in Committee. The hon. Gentleman has raised an interesting point, and perhaps we shall have an opportunity to examine the full implications of it if he serves on the Committee. From my previous experience of serving with him, I very much hope that he will.

A further attribute of the Bill is that it demonstrates that the role of Parliament is not being taken quite as seriously as it might be. For all the talk about strengthening Parliament's position that we heard from the new Prime Minister when he first arrived in his new post, we have seen little action to support it. The Bill will weaken Parliament's position. At present, the upper earnings limit must be no more than seven and a half times the level of the primary threshold. Clause 1 abolishes that ratio and provides for the upper earnings limit for 2009-10 and beyond to be set by means of secondary legislation. The Financial Secretary said that that would be done by the affirmative resolution procedure, but we could nevertheless be faced with a situation in which potentially substantial tax increases could be achieved by Committee. For example, what would stop a Government substantially increasing the upper earnings limit by secondary legislation? It might interest the hon. Member for Wolverhampton, South-West (Rob Marris) to learn that, as far as I can see, they could increase the higher rate band of income tax—if we take income tax and national insurance together—by 11 per cent. through secondary legislation. That is not something that the Conservatives would welcome.

Although the Bill proposes to abolish the ratio, we would certainly want to examine in Committee whether there was any good reason why a new ratio could not be inserted, and why the Government should have the freedom that they are proposing for themselves to enable any changes to the upper earnings limit to be performed by secondary legislation. That seems to represent a weakening of Parliament at a time when the Government are professing to be in favour of strengthening it.

Here we have a Bill that will increase taxes, and do so stealthily. This story demonstrates incompetence and a failure of internal communications. It demonstrates that those saving for pensions will not be rewarded, and it weakens Parliament. Given that it is nearly Christmas, perhaps I may summarise the Bill as follows, as we hear: the same old things, more stalling words, a squeeze on pensions, tax double charge and a partial cut in S2P. *[Laughter.]* Well, it is Christmas, and if I can put a smile on the face of both the Ministers, I think I have achieved something this afternoon. However, we will oppose the Bill, because it is flawed, it will introduce yet another stealth tax, and it does nothing for the long-term good of Britain's pensions.

6.25 pm

Paul Rowen (Rochdale) (LD): As the Financial Secretary said, the Bill has two purposes, and it is part of a package introduced in March by the then Chancellor of the Exchequer, now the Prime Minister. I accept that, in dealing with the Bill, we have to take the whole package into consideration. I also understand that there will be many proposals in next year's Finance Bill that we shall be able to support. In particular, we would support proposals for any system that simplifies the tax and national insurance systems.

Mr. Redwood: I am grateful to the hon. Gentleman for giving way so early in his speech. I would like to probe him a little on what he has just said. This is not a package, because the Government are not prepared to offer the pensions part of the package at all, probably because it is not affordable. The Prime Minister knows that. Is not the hon. Gentleman being conned, because we are getting only the tax side of the equation?

Paul Rowen: As the right hon. Gentleman said, he has intervened on me right at the beginning of my speech. I intend to talk about the second part of the Bill and, in particular, the proposals to introduce the upper accruals limit. I think that he will find, when I get to that part of my speech, that there are points of agreement between us.

Kelvin Hopkins (Luton, North) (Lab): I welcome the hon. Gentleman's comment about simplifying the national insurance system. Would it not be even simpler to introduce a standard percentage all the way up the income scale? That would generate a lot more income for the Treasury, which could then be given to pensioners, the health service or whatever.

Paul Rowen: It is easy to say that, but I am not sure whether having such a straightforward system right at the beginning would work. My understanding of the principle of the contributory system is that it has always been graduated up to a point. We support the Bill's attempt to align the upper earnings limit with the national insurance contribution. The difficulty that I have, however, is that, rather than saying that this is about equalising and, yes, raising more income to be used for other purposes—which we find fair and reasonable—the Government are dressing the measure up as a simplification. It is a simplification, but it also means that some high and middle income earners will be paying more money. That is fair and reasonable, and we do not object to it, but I wish that the Government would just be straight with us and admit that that is what will happen. That was certainly not what the Chancellor said in his statement; he did not admit that that was one of the purposes of the Bill.

Kelvin Hopkins: The hon. Gentleman mentioned middle and higher income earners. The Bill will not do very much to higher earners, but it will do a fair amount to middle income earners. I welcome the Bill, but would it not be better to have a go at the higher earners in a big way as well?

Paul Rowen: The hon. Gentleman will obviously support some of our tax proposals, and I look forward to seeing him do so in due course.

The Bill will raise £1.5 billion, which is not an insignificant sum. When taken in conjunction with the tax proposals in next year's Finance Bill, this will mean that some people will get a maximum gain of £325 a year, and that there will be a maximum loss of £223. We are not talking about huge sums of money, but, as the Financial Secretary said, that money will go towards increasing the amount of disregard for pensioners and taking more children out of poverty. My view, however, is that the Government are not going to meet their target for eliminating child poverty. The proposals so far have been put forward in a piecemeal way. Whether we are talking about this Bill or the Child Maintenance and Other Payments Bill, it means hundreds of thousands of children being taken out of poverty, yet there are more than 2 million affected by child poverty, which the Government should be tackling if they want to meet their target of halving child poverty by 2010. Notwithstanding that difficulty, we accept the point of the first part of the Bill, which we believe is sensible in setting out what it is trying to do, transparent and produces a clear link. As the previous Chancellor said, it provides two thresholds and two points of payment, which is acceptable.

We have more problems with the second part of the Bill, particularly the proposals to introduce the upper accruals point. We do not say—and nor am I about to say—that we wholly disagree with consensus on pensions. We believe that it is very important, especially for longer-term issues, to achieve a broad consensus about the direction of pensions policy. People need certainty; they need to be able to plan. We accept the principle of having the state second pension as a flat rate pension and we understand why the Government are making the change to introduce the upper accruals point at this point—in order to keep that alignment. That change nevertheless raises £290 million extra a year rising to £450 million a year—an extra tax take. Earlier, I asked the Financial Secretary what that money would be used for, because my understanding from reading the papers was that the proposals were broadly cost-neutral when taken together.

[Paul Rowen]

We are disappointed with the proposed change because, although we are moving forward the date for the introduction of the upper accruals point, we are doing nothing to tackle pensioner poverty. The difference between the Liberal Democrats and Labour has been the Labour Government's insistence on using pension credit as a means of tackling pensioner poverty. If we compare child tax credit with pension credit, we find that the former is claimed almost universally by those who are eligible for it. It is a flat rate payment; it is not means-tested. We have had a long-standing aim—we want it to be met earlier than the Government do—initially to restore the link between earnings and pensions and secondly to introduce a citizen's pension. We believe that the Government are taking far too long to achieve that and that far too many existing pensioners are in poverty. We would have liked the additional sums of between £290 million and £450 million to be used precisely to achieve that. In 1950, the pension was worth 18.4 per cent. of the average wage. Today, the pension is worth only 15.9 per cent., which means that today's pensioners who rely solely on the state pension—and we should recall that up to 40 per cent. of those entitled to pension credit do not claim it—are worse off.

Kelvin Hopkins: The hon. Gentleman mentions the proportion of average earnings received by pensioners, but does he not recall that at the peak time when the link was in place, the figure reached 25 per cent. of earnings—a much bigger proportion. Does he not agree that we should aim to restore the pension at least to that figure?

Paul Rowen: I totally agree. As I explained, although the Government are committed to the proposal that I described, our difficulty is that it will not happen until 2012 at the earliest and it could be as late as 2015. While the Government are moving the upper earnings accrual point to keep the state second pension in tune, we would rather the sums raised were used to begin to restore the value of the state second pension.

Mr. Redwood: Why does the hon. Gentleman think that people on £40,000 a year are so rich that they can afford to pay all this extra tax? Does he not understand that in view of the current cost of housing, and inflation, they are under a lot of pressure?

Paul Rowen: I understand that, but this is about saving for a pension. I accept that the rebate will be smaller—

Mr. Heald: Is not the whole point of this measure that those earning between £37,000 and £43,000 will have to pay national insurance contributions at 11 per cent. of that slice of income, yet get nothing for it?

Paul Rowen: I think that the hon. Gentleman is forgetting that this is part of a package. It is not my job to defend the Government, but I have quoted the figures, which range from a top gain of £325 a year to a maximum loss of £223 a year. Yes, there is a loss, but our argument—very different from that of the Conservative party—is that we would rather have seen the savings to the Exchequer of between £300 million and £400 million being used to restore the link between the state pension and average earnings. We want that link restored immediately, which we believe would cost something in the order of £450 million to £500 million. The sums involved are therefore roughly comparable and we believe that it is an important point of principle to take serious measures to tackle pensioner poverty.

Angela Eagle: The hon. Gentleman has been saying that pensioner poverty is worse and that pensioners are worse off then they used to be, but will he admit that the Government have spent £11 billion a year more in real terms than in 1997, with the greatest help focused on the poorest pensioners? In fact, millions of pensioners have been lifted out of poverty by the huge amounts of extra money that the Government have spent on them.

Paul Rowen: I would make two observations. First, we do not believe and have never believed that pension credit, which is a means-tested way of paying pensioners, is the best way of tackling pensioner poverty. I return to my earlier point that 40 per cent. of eligible pensioners do not claim it. It is also a fact that even if we grant all the Government's proposals, 50 per cent. of all pensioners will still be means-tested in 2030. I have already spoken about the importance of having a pensions consensus and I believe that my party and the Government have much more in common, but the Government need to move further towards accepting the principle that people are entitled to a certain level of pension regardless of the contributions that they have paid or the amount that they have earned. We need to get all pensioners up to a level where they can live with dignity without having to undergo what they consider to be the indignity of putting their income and all their savings through tests.

Secondly, we also know that pension credit is hugely expensive to administer in comparison with child tax credit, which costs virtually nothing.

Steve Webb: In her intervention, the Exchequer Secretary quoted the figure of £11 billion, but as we all know, both economies and numbers of pensioners grow. Will my hon. Friend ask her to confirm that the share of national income going to each pensioner in Great Britain has fallen under Labour?

Paul Rowen: I am grateful to my hon. Friend, who knows a lot more about the issue than I do. It is a sad fact that after 10 years of Labour Government, more money has gone in but there are still high numbers of pensioners living in poverty.

Rob Marris: The hon. Gentleman will be aware that in the past 10 years, the average pensioner's income—I appreciate that he is focusing on one end of the scale—has increased by 37 per cent. in real terms, whereas the average wage earner's income has increased by 18 per cent. in real terms. As for the pension as a proportion of the average national wage—I think he referred to a figure of 18 per cent. in 1950 and 15.9 per cent. now—will he say what the percentage is if one includes pension credit and the winter fuel allowance? That would be a more accurate comparison.

Paul Rowen: The hon. Gentleman knows full well that 40 per cent. of all eligible pensioners do not claim pension credit, and it is costly to administer, costing far more than child tax credit. The pension consensus should therefore be to give all pensioners, regardless of who they are, what they have earned in the past or what contributions they have made—thereby including many women who take time out to have a family—a decent citizen's pension. *[Interruption.]* Well, the pension credit does not work. It is not being claimed. The test of the success of any benefit must be whether it is understood and claimed. Whether the Government like it or not, the reality is that pension credit is not understood or claimed as it should be.

While we have no qualms about accepting the first part of the Bill, and we applaud its simplification and redistributive elements, the second part of the Bill is inadequate, does not go far enough and does not address pensioner poverty. It is another example of a tax grab without a benefit. We are not prepared to support a Bill that does not deal with the fundamental issues, which we shall consider later in relation to the Pensions Bill, of ensuring that all pensioners have a decent and fair pension. As we have made clear, we are not against the pensions consensus, but we will not support the technical proposals in this Bill if there is a vote.

6.43 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): May I start in a Christmassy and benevolent way by paying tribute to the civil servants in the National Insurance Contributions Office who do such scrupulous and careful work maintaining complex records, especially those involved in the difficult work concerning pensions? The work concerning the winding-up of pension schemes needs to be particularly carefully dealt with.

When we consider pensioner poverty, it is important, as the hon. Member for Rochdale (Paul Rowen) said, to look at the reality on the ground. As he mentioned, a lot of people entitled to pension credit do not claim it. When pension credit was introduced, Members in all parts of the House were concerned about that issue. Take-up has never been satisfactorily dealt with, and that issue should be continually raised. The Government have signally failed to tackle an important issue for some of our poorest pensioners.

The Bill is part of the story of broken promises that is the history of the state second pension. Anyone who bought into the vision of Barbara Castle and contracted into the state earnings-related pension scheme would feel that they had been cheated over the years. They have seen reduction after reduction in their legitimate expectations of benefits: the loss of half the widow's benefit; the loss of the 20 best years rule; and now the fact that above a certain level of income, they will pay national insurance contributions and get absolutely nothing for it.

I would be the first to agree that it was possible to form a consensus a couple of years ago about the way forward with pensions. There was the idea of having a more solid block of flat rate state pension at the bottom, better inducements to individuals to save, and some sort of personal account, which is undoubtedly needed to encourage low and medium earners to save. Far too many people—7 million or so—do not save enough for the sort of pension that they want in retirement.

We would all accept that there is a case for a simpler system that is more robust and has trust in it. That is why the Bill is a disappointment. Those in the pensions world are beginning to use terms such as "sleight of hand" and "conjuring" to describe the way in which the Government behave. The sort of dressed-up proposal in the Bill, which is really about trousering money for the Treasury, is not the way forward, and does not respect the agreement reached in all parts of the House.

Jane Kennedy: Before the hon. Gentleman moves too far away from the question of SERPS and represents history in a format that I do not recognise at all, may I tell him that my father was a blue-collar engineer for many years and still regards his investment in SERPS in the early '70s and throughout his working life as one of the best that he made in his entire life? He would be the first to take issue with the hon. Gentleman, as he regards the mis-selling to persuade people to come out of that scheme in the '80s and '90s as one of the worst pieces of financial advice that people of his generation ever received.

Mr. Heald: Of course, we can trade histories. All that I would say to the right hon. Lady is that the original SERPS was presented as the way forward, and I agree that many people benefited from it, but she must accept, as it is what her Bill is saying, that it has ultimately proved unaffordable, and that promises have consistently been broken to individuals who put their trust in the scheme. I think that Barbara Castle would have had to be dragged kicking and screaming to the House to make the proposal that the Government are now making, because she believed in her scheme and her vision. I did not support it at the time, because I felt that it was unaffordable, but it is right to note that the Bill is an admission by the Government that the Barbara Castle scheme was unaffordable and not the way forward. It is typical of the Government that, having formed a consensus with other parties in the House, they should want to attempt this sleight of hand to trouser the money as I have described, and to put forward a Bill that is about something for the Chancellor and nothing for the contributor.

As the Financial Secretary has said, the Chancellor describes the Bill as part of a larger simplification and tax reduction package. Of course, they have to say that, but many will think that the package was designed to take £1.5 billion extra by 2009-10, and that the element of "conjuring" was to suggest that the package was a tax-cutting measure at all. What the Prime Minister relied on was the continuing public support for the contributory principle. As the authors of the leading text on the matter, Ogus and Barendt—the fourth edition, for the benefit of the hon. Member for Northavon (Steve Webb) who takes a great interest in the book—said recently:

> "People are prepared to subscribe more by way of contributions, which they see as offering returns in the form of personal and family security, than they would be willing to pay by taxation, which might be diverted to a wide variety of uses."

It is also clear that the public know very little about national insurance and are not very questioning about it. Tolley's tax notes make the point that

[Mr. Heald]

> "Nearly a century ago, David Lloyd George stood before Parliament and introduced…the novel concept of National Insurance…as a 'temporary expedient'….It is a curious fact that despite the size and permanence of this levy, very many people know little about it".

Of course, the people who do know about national insurance are Chancellors of the Exchequer. It allows them to talk about a low standard rate of income tax, while conveniently forgetting the very large tranche of money taken in the form of national insurance burdens. That follows the Colbertian maxim—which I thought worth mentioning at this time of year—that plucking as much as you can from a goose without its squawking is the key principle of tax collection.

The current Prime Minister has long had his eye on removing some extra money through the national insurance system. In the 1992 Labour manifesto it was suggested that the party should remove the upper earnings limit without allowing contributions above it to confer any additional benefit entitlement. On that occasion the public saw through it completely, which was one of the reasons why Labour lost the election so badly. The public did not want to undermine the contributory principle in that way. Ever since then, however, the Prime Minister has had on his mind taking more money from national insurance contributions. It was very noticeable that at the time of the 2001 general election, when asked to do so, Labour refused to rule out taking more money in national insurance contributions.

Simplification of taxes is to be welcomed, but not as an excuse for a stealth tax. My right hon. Friend the Member for Wokingham (Mr. Redwood), who was present earlier, has recently revealed the increased complexity of the tax and benefits system under the current Prime Minister. Simplification is indeed welcome, but it must be acknowledged that in this instance it is being used to mask a tax rise.

The original proposal was to introduce the new upper accrual point in 2012 at the same time as the start of the uprating of the basic state pension in line with earnings. I can tell the Financial Secretary that that was the deal. The end result of an early introduction of the upper accrual point in April 2009 is that we shall pay more national insurance up to the higher earnings limit, but receive none of the benefits that that should entail. As *Taxation* magazine has remarked,

> "I don't know about you, but that looks like a straightforward tax increase to me."

It is also important to consider the effect on contracted-out occupational pension schemes. It has been estimated that the amount of national insurance rebate being paid into such schemes will be reduced by about £2 billion between 2009 and 2014. The National Association of Pension Funds has observed that that could

> "increase the cost to employers offering a Defined Benefit salary-related pension."

Given that the Government have already undermined occupational pension schemes by carrying out a £5 billion-a-year pension tax raid in ending dividend tax relief, reducing protection for members by twice cutting the minimum funding requirement, and failing—until today—to accept our proposals for a pensions lifeboat for those who have lost their pensions, thus putting those people through misery, is it really right that they should now be taking further measures that will cut confidence in occupational pensions by increasing the cost to employers? There is a serious question to be asked about whether the Government understand pensions at all.

It is widely accepted that as many as 7 million people are not saving enough. Occupational pensions have been the bedrock of good pensioner provision in retirement. Nothing should be done to push employers into closing their schemes, and they should not be offered inducements to do so. The aim must be for more people to save more, and the best way of ensuring that that happens is to encourage employers to operate good work-based pension arrangements and open them to all employees.

On another day, we shall have a chance to debate personal accounts. I hope that they will be developed with employer contributions that do not involve employers who already provide a good pension scheme. We do not want workplace schemes with good benefits to be closed, and members to move down the scale into personal accounts. There is a real risk of diversion.

Let me end on a seasonal note. At this time of year I think it fair to say that with this Bill—taking tax through the back door and damaging occupational pension schemes—the Prime Minister has moved from being Mr. Bean to being Mr. Scrooge, and all I would say to him is, "Bah, humbug!"

6.55 pm

Mr. Charles Walker (Broxbourne) (Con): It is a delight to be called with another three hours ahead of us. So often in the Chamber I fear that I shall be given only the last five minutes at the end of the debate before the start of the winding-up speeches, but my Whip has told me that I can have up to two hours. I will not take two hours, however, because I am well aware that a number of my colleagues want to get back to their families and homes to embark on their Christmas constituency engagements. A lot of nonsense is talked about our going off on holiday tomorrow, but actually we are not doing that. We will all be in our constituencies for the next week, bringing great joy and warmth to those whom we represent.

I am a very simple chap. I do not claim to be a great brain, or to have a great understanding of financial or Treasury matters. But I smell a rat here: I believe that this is a tax rise. I smell that rat because the Treasury has sent its two nicest and most charming Ministers to sell it to the House. We are talking about considerable sums. Various figures have been mentioned, but one of the higher ones is £1.5 billion, which is almost the equivalent of a penny on income tax. My constituents are entitled to suspect that they will be paying rather a lot of the additional £1.5 billion in national insurance contributions, because that is what has been happening for the last 10 years. They seem to have paid more and more tax, while being told by the Government that they are jolly lucky to have the privilege of paying more and more.

I am slightly concerned about this national insurance increase, because I believe that it will fall most heavily on such people as junior doctors, police inspectors, deputy heads of primary schools, taxi drivers—of whom there many in my constituency—and skilled artisans such as electricians and plumbers. Over the past decade, particularly in Hertfordshire, those people have seen the tax contribution that they are expected to make increase dramatically, and they will be nervous about the possibility that once again they will be asked to pay more and receive less, or nothing, in return.

We have, of course, seen national insurance increases before. I think that there was one of about £8 billion that was meant to fund the national health service. *That may have been a very good thing, but the money* has certainly not gone towards funding the national health service in Hertfordshire. On Wednesday this week, we will discover that another of our hospitals is scheduled for closure. Chase Farm hospital in Enfield, north London, was earmarked for a significant scaling down last week. Again, my constituents are right to be concerned about the possibility of a national insurance increase, because one thing is almost certain: that money will not be spent in Broxbourne, although it may be spent in other parts of the country. It may be spent in Scotland, for example, where expenditure per head is 40 per cent. more than it is in Hertfordshire.

Kelvin Hopkins: My constituency and the hon. Gentleman's are not too far apart. I believe that in Hertfordshire health spending is above the fair funding target, but in my constituency it is below that target. Does the hon. Gentleman accept that some of the extra cash might help my constituents in Luton?

Mr. Walker: I should be delighted if it went towards helping the hon. Gentleman's constituents. I am referring to all the additional national insurance money that we are discussing in relation to the Bill—I wish to remain within the bounds of the debate, Mr. Deputy Speaker. However, I should also be delighted if my constituents, too, could partake of the additional bounty, and we could keep one of their hospitals open.

Mr. Mike Weir (Angus) (SNP): The hon. Gentleman has touched on the subject of spending in Scotland, which of course gives more to the Treasury than it gets back, as figures have shown; in fact, the south-east of England gets more than Scotland and many other areas of England. However, Scots also pay national insurance, and if the hon. Gentleman is so concerned about it, will he support our drive for independence, which would solve the problem?

Mr. Walker: The hon. Gentleman—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before the hon. Gentleman is tempted to go down that road, I should say that the Christmas spirit may be overflowing and so might time, but we must keep within the boundaries of the Bill.

Mr. Walker: I shall crack on, Mr. Deputy Speaker. I am not quite aware of the hon. Gentleman's figures. In my constituency, spending per head is £5,800, whereas in Scotland it is £8,200. I would be happy to have that debate with him at a later date.

The Financial Secretary said that pensioners are so much better off under this Government. If so, why are they so cheesed off in Broxbourne? Very few pensioners to whom I talk have anything good to say about the Government. Many have seen their standard of living decrease because council tax has gone up because of underfunding from the Treasury, and the cost of fuel has gone up. The Government are being a little disingenuous when they say that pensioners are better off than they have ever been. I am not sure that that is the case. Do not take my word for it; go and ask the pensioners.

With that, I wish you all a very merry Christmas, and I shall see your smiling faces in January.

7.1 pm

Justine Greening (Putney) (Con): It is a pleasure to be able to wind up the debate on behalf of the Opposition. It seems that it is another week, another emergency statement from the Treasury, but this afternoon's debate has been more about what Labour in government does best: imposing stealth taxes and hitting hard-working people across the country. In the midst of the incompetence that we see almost daily across government and truly embedded in the Treasury, there is one thing that the Government do with aplomb and vigour—tax people who do not even realise it and then, in customary Government style, dress it up as somehow doing those people a favour.

As my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke) pointed out, this measure was part of a Budget that was represented as some sort of tax cut but eventually emerged in its true form as a tax con. The Bill represents a stealth tax on savers and on those who are trying to provide for themselves in retirement. It is a stealth tax because, on the one hand, it ratchets up significantly the national insurance contribution from middle and higher earners—by £1.5 billion, a not insubstantial amount, in 2009-10 alone—by aligning the national insurance upper earnings level with the higher rate taxation level. On the other hand, the Bill goes further and makes sure that people paying extra NI contributions will see little, if any, of them in terms of their additional state second pension rights accrued.

Combined with the backdrop of a weak Chancellor buffeted by events, today's date was apparently destined to be a lively one. In reality it proved less so because, unfortunately and disappointingly, not one Labour Back Bencher took the time to contribute to this debate—

Kelvin Hopkins *rose*—

Justine Greening: Other than by intervention, and I think I can see another one coming.

Kelvin Hopkins: I thank the hon. Lady for giving way. She has been fairly critical of the Government's inching in what I think is the right direction. Presumably she has some comprehensive alternatives that will make a tremendous difference to pensioners' incomes. I should certainly like to hear them.

Justine Greening: As the hon. Gentleman knows, our party supported the broad pension reforms brought forward by the Government, but our concern is that the Bill undermines that consensus and decouples the restoration of the earnings link from the bringing forward of the flat-rating of the state second pension.

The contributions today have been limited in number but helpful. As I said, we did not have one from a

[Justine Greening]

Labour Back Bencher. The Liberal Democrat spokesman, the hon. Member for Rochdale (Paul Rowen), said that he accepted the Government's alignment of the upper earnings limit and the higher rate tax threshold for paying national insurance, but had issues with the upper accruals point and concerns about pensioner poverty. He talked about introducing a citizen's pension but failed to say at what level that pension would be introduced. He also did not say whether there would be any limits on who would receive the pension—

Paul Rowen: Will the hon. Lady tell us what the Conservative proposals are? We have been very clear about our proposals.

Justine Greening: This is not really a debate about pensions, but it is interesting that the hon. Gentleman did not answer my question or mention any details of a residency test for his citizen's pension. As and when the Government ever get around to calling an election and going to the people to find who they want running the country, we will debate our pension proposals.

Kelvin Hopkins: I thank the hon. Lady for giving way once more. She suggested that the Liberal Democrats were not saying the level at which their citizen's pension should be set. However, Liberal Democrat Members nodded vigorously in agreement when I suggested that we ought to aim for the basic state pension to be at least 25 per cent. of average earnings, the level it was at when the Conservative party broke the link with earnings. Would 25 per cent. be a good figure?

Justine Greening: The hon. Gentleman obviously thinks it is. It is interesting to see the collegiate working between the Liberal Democrats and the Labour party on this matter. Perhaps it is symptomatic of what we will see when the Liberal Democrats get their new leader.

My hon. Friend the Member for North-East Hertfordshire (Mr. Heald) talked about broken promises and today we are seeing another, although it may be more of a moving of the goalposts, which is concerning Opposition Members. He talked about the "conjuring" that we have seen in the Bill—a very apt word. We all accept that simplification is to be welcomed, but we are concerned about the way in which the Bill delivers it. We are also concerned about the fact that although we have made progress in discussing pensions and pensions reform, that consensus has been tested today.

My hon. Friend the Member for Broxbourne (Mr. Walker), in a customarily witty and wide-ranging speech, said that he smelled a rat, but did not link that with any specific Member, which was reasonable of him. He also linked the Bill with health care in his constituency, which was some achievement.

There is no doubt that the Bill increases the national insurance contributions that higher rate and some basic rate taxpayers will make, particularly those who are on about £40,000 to £43,000 a year. As my right hon. Friend the Member for Wokingham (Mr. Redwood) mentioned, there are particular income levels at which people will be paying more national insurance as a result of the Bill—

Angela Eagle: It is a small number.

Justine Greening: The Minister says it is small; but Mike Warburton of Grant Thornton has said that some people may see their national insurance contributions increasing by £946 per annum on the previous tax year. Grant Thornton calculates that people on £41,000 are going to pay nearly £500 a year more than in the current tax year, a 15 per cent. increase. It does matter.

In discussing the alignment of the upper earnings limit with the higher rate tax threshold in the 2007 Budget, the same Mike Warburton said that this was a stealth tax and that

"everyone has to remember this is a finance-raising measure."

David Heaton, of the accountants Baker Tilly, said:

"It is quite clear that the Government is now treating national insurance as an extra bit of income tax."

My hon. Friend the Member for North-East Hertfordshire referred to that, too. This is no minor stealth tax; it will raise £1.5 billion in additional national insurance revenue just in 2009-10. As my hon. Friend the Member for South-West Hertfordshire mentioned, the secondary legislation protection that we now have, for the move to have an upper earnings limit that is not set through primary legislation causes some concern to those on the Opposition Front Bench, and we will want to get assurances on that in Committee.

Angela Eagle: I am listening to the hon. Lady citing august bodies. Will she also recognise the comment of the Pensions Policy Institute, an industry-funded research body, which described the proposal she is currently talking about as

"a technical change introduced to restore the flat-rating of"

the state second pension

"back towards the path originally envisaged in the Pensions Act 2007"?

In other words, it restores the cross-party consensus to put into effect the pension reforms.

Justine Greening: The hon. Lady is right to highlight the fact that the PPI spotted that this course restores the original plan to flat-rate the state second pension back towards the original Pensions Act 2007 path, but in fact the PPI also identified that this was a problem back in April 2007. The question is why the Treasury did not apparently identify that—which is why it is having to bring this in the context of the pre-Budget report, rather than mentioning it in the original Budget.

Mr. Philip Dunne (Ludlow) (Con): Did I hear my hon. Friend correctly? Did she indicate that one of the clauses in the Bill will allow future increases in the upper earnings limit to be made by means of secondary legislation, which presumably means that unlike other aspects of tax change, which are normally dealt with in the Finance Bill each year, in future upper earnings limits can be raised at the whim of the Government without being properly debated?

Justine Greening: That is a correct understanding. Obviously, the national insurance changes are not taken through the Finance Bill because they relate to a different aspect of Government finance, but it is correct that the Government have had to take this out of primary legislation in order to go above the pre-existing ratio of the upper earnings limit in relation to the primary threshold. Previously, that had been between 6.5 and 7.5 times the primary threshold.

Steve Webb: Earlier the hon. Lady raised an important issue of principle, saying she objected to the raising of additional national insurance above the current upper earnings limit with no consequent increase in benefits, essentially treating it as a tax. So does she think that when the Thatcher Government did the identical thing by creating a national insurance surcharge, that was immoral as well?

Justine Greening: Members always know they are on to a winner in this House when other Members start going back in time, and when that is the only critical point they can make.

Although Conservative Members broadly supported the pension reform and we all recognised that achieving some political consensus was important, what we are worried about is that after that consensus has been reached the goalposts are being moved. That does not give us the confidence we had at the time of the Pensions Act 2007. That point is not dissimilar to the serious point the hon. Gentleman's Front-Bench colleague raised earlier. This is a serious point, which is why it is right to challenge the Government on it.

Kelvin Hopkins: I thank the hon. Lady for giving way—and I apologise for intervening so much, but she is making points that provoke me. She asks why we should go back into history. I think history is quite important, particularly as the Conservatives broke the link with earnings, at which point the basic state pension was 25 per cent. of average earnings. A woman who just became 60 on the full pension at that time would now be 87, and she would have lost a vast amount of income during that time simply because the hon. Lady's party broke the link with earnings.

Justine Greening: Listening to the hon. Gentleman's remarks, one would not think that the current Government had been in power for 10 years and still had not restored that link. I wish later to probe and press the Ministers here today to try to discover their latest plans in respect of re-establishing the link, and whether they are able to confirm that it will be re-established. However, all we know from this Bill is that one half of this pension package—the flattening of the state second pension—is being brought forward. We have no additional comfort from the Government on the other half of it, which is crucial in providing an overall package that we would be happy with: the re-establishment of the link between the state pension and earnings. My party proposed that at the last election, before the Government accepted it. That is the key part of this jigsaw, and we are concerned that Ministers are not giving us the assurances we seek about it. Frankly, the Prime Minister is the main roadblock to our being able to get assurances on when that earnings link will be re-established; perhaps now that he is in his elevated position as leader of this Government, we will be able to get some more assurances, but I will wait to find out about that later in the debate.

I have addressed the first piece of this package: the stealth tax of £1.5 billion. The second piece was the incompetence aspect of the Bill—or what we think could have been incompetence, judging by the fact that although the desire to align the upper earnings limit with the higher rate tax threshold was announced way back in March in the Budget 2007, somehow the Treasury forgot that in having people pay so much more national insurance they also needed to consider alongside that the relevant state second pension accrual. It does not appear to me that that accrual definitely was considered by the Government, and perhaps they can confirm whether it did make an appearance in the Red Book. It certainly did not do so in the narrative aspect of the Red Book. We have seen figures in the Red Book which it could be a part of, but can the Minister confirm whether those amounts that appeared in the pre-Budget report were already accounted for in the Red Book figures we had earlier in the year?

When asked by the then shadow Secretary of State for Work and Pensions, my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), whether that had been discussed at the time of the Budget, the then Secretary of State gave a vague answer that a range of pension measures had been discussed between the Treasury and the Department for Work and Pensions. However, it does not appear that the particular aspect we are discussing today was one of them; otherwise, presumably it would have been part of the public finance figures earlier in the year. Instead it was clearly identified as an issue in public only when it was raised by our Front-Bench team and other experts such as the PPI.

In its briefing, the PPI states that unless the link between the state second pension and national insurance contributions is broken before 2012

> "it will also increase the annual build-up of S2P for people earning above the old UEL of £34,840…Those earning above the new UEL of £40,625 will build up a pension of £2.83 a week in 2009 compared to £2.38 without the Budget changes."

So way back in April the PPI had already clearly seen this problem of the lack of understanding of the consequential impact of what was brought in in the Budget 2007. If the PPI and the Opposition could see it, why could the Government not see it? Perhaps in the wind-up tonight, we can be given a little more insight into the stage at which that was discussed in detail and whether it was before or after the Budget 2007. The sense I have is that it was after.

Of course, this is no insubstantial consequential change from the Budget 2007; it amounts to £730 million. The bring-forward of this upper accruals limit from 2012 to 2009 which was announced in the pre-Budget report in October had just one sentence devoted to it in the entire statement made by the Chancellor. I appreciate that at the time of the pre-Budget report statement the focus of the Government's attention was on responding to a highly successful series of tax proposals by the Opposition, but even in this statement the new Chancellor drew precious little attention to the consequential amendment in the second half of the Bill. As my hon. Friend the Member for South-West Hertfordshire has set out, we are waiting to hear whether that omission from the Budget 2007 announcement was simply a case of the Treasury team not understanding the impact of its own national insurance changes, or whether the then Chancellor simply did not have the guts to be honest about this change with the public.

I realise that, as we have already touched on, the flat-rating of the state second pension was part of an overall pension deal that would see the state pension

[Justine Greening]

once again linked to earnings—something that my party pushed the Government to do before the last election. However, they have always been reticent about confirming exactly when the earnings link would be re-established. The Turner report suggested that the date should be around 2009 or 2010, but in responding to those proposals, the Government talked about a time line of 2012 or, at any rate, of taking action before the end of the Parliament, subject to affordability.

I remember when I was still serving on the Work and Pensions Committee pressing the then Secretary of State for Work and Pensions on the impact of the affordability test and whether that was the core test that had to be passed. He was very keen not to box himself into any commitments one way or another, but given the changes that we are now faced with in this Bill, can the Minister say on what date the earnings link with the basic state pension will be re-established, in line with the pension reform deal that this House agreed?

The PPI has estimated that the pull-forward of the second half of this provision—flat-rating the state second pension earlier—to 2009 will cost the public £2 billion, so there will be a big impact. It will mainly affect employees and employers, who will not now receive the level of contracted-out rebates that they had planned to receive. That is no way to thank organisations and individuals who have made efforts to provide better for themselves, rather than relying on the state. As I said earlier, when the original commitment was made last year to re-establish the earnings link, the Government set themselves the key test of affordability. Most people can only say that since that time public finances have worsened, so can the Minister confirm when this link with earnings will be re-established? This is an issue of trust, and it is very important if we are to maintain the consensus on pensions that we achieved earlier in the year.

Let us not forget that the cost to business of introducing this Bill will be £30 million. Such businesses—the overwhelming majority of which will be small businesses—will face that cost three years earlier than was originally planned. The Minister needs to take that on board and—particularly given the capital gains tax debacle and the increase in corporation tax for small businesses—give us a sense of what she plans to do to help businesses cope with costs that they will have to bear earlier than they were expecting.

The impact assessment points out that this change will cost the Treasury £10.7 million. Given that this is an IT change, does that figure have built into it the inevitable disaster costs that we are so used to with this Government when they try to use IT to achieve anything? I hope so, because based on past and current—and no doubt future—performance, that money will be needed.

This Bill sums up the Treasury as we so often see it today—stealthily taxing people, and combining that with a dash of incompetence. Small businesses hit by the capital gains tax grab will attest to this, and after today so will millions of pensioners. The former Chancellor was keen to go out with a flourish, and this Bill is rooted in the changes that he made in his final Budget earlier this year. He wanted to give the British public the impression that he was a tax-cutting Chancellor, but we all now know better. He may have celebrated his elevation to the office of Prime Minister, but his Treasury legacy will be stealth taxation and incompetence, which is a toxic tax cocktail for the British public to have to stomach. With this Government, simplification has become a byword for raising tax and the cover under which businesses and people saving for pensions are all too often made the victims of Treasury daylight robbery. Worse, this Government have destabilised the consensus that we are hoping we achieved in reforming pensions. Put simply, it is not good enough. We are not buying it and all the signs are that the British people are not buying it, which is why we will be voting against this Bill tonight.

7.24 pm

The Exchequer Secretary to the Treasury (Angela Eagle): I want to begin by wishing all Members who have given the Chamber priority as we approach the Christmas period, a happy Christmas; I hope that they have a nice break. The compliments of the season to everyone.

We have had an extraordinary debate today. We see that the Conservatives are going to vote against a Bill that helps to put into effect a tax cut that will benefit, or not disadvantage, 21 million people; that will take 600,000 pensioners out of tax completely, a point that was not even mentioned this evening; that will take 200,000 children out of poverty—child poverty did not feature much, either; in fact, I am not sure that it was even mentioned by Conservatives—and that will help to make work pay.

Mr. Heald *rose*—

Angela Eagle: I was going to get to the hon. Gentleman soon enough, but I am happy to give way to him now.

Mr. Heald: Can the hon. Lady point to the clause in the Bill that she is referring to?

Angela Eagle: Although the Bill is a technical measure, it is a key part of the process that puts into effect the announcements made on national insurance and pension provision in the Budget 2007. Many Opposition Members have spent time talking about the Budget, and this Bill is one of the enabling provisions that will ensure that the personal tax measures announced in the Budget can be put into effect. It is therefore only fair and right for me to set out the wider context of the changes that were announced and that the Bill will help to put into effect, so that those who are listening get the whole story, rather than a partial, tiny bit of it, which is what we heard during most of today's debate.

Mr. Gauke: If the hon. Lady is talking about the context of the 2007 Budget, she will remember from when we were both members of the Treasury Committee the evidence given to us by the Institute for Fiscal Studies showing that 5.3 million households, most of which were among the lower-paid, lost out as a consequence of that Budget.

Angela Eagle: The IFS also said at the time of the Budget that the

> "income tax and NI package has been cleverly designed to limit the number of losers to one-household-in-five at a modest overall cost to the Exchequer".

So there was actually much praise from the IFS for the overall balance of the package that this Bill helps to put into effect.

The hon. Member for South-West Hertfordshire (Mr. Gauke) talked about simplicity and said that we should be wary of it. He also shied away from a direct question. I had to ask him more than once about the Opposition's attitude now to the pensions consensus that had been developed, and which was put into effect during the passage of the Pensions Act 2007. I asked him a direct question—whether the flat-rating of the state second pension was still part of the consensus, and whether the Opposition had now decided that they did not wish, in opposing this Bill, to see that crucial part of the Turner commission reforms put into effect.

In the light of the hon. Gentleman's refusal to answer that question, we have had a huge flip-flop from the Conservative party on what was meant to be a consensus. When the Pensions Bill, which referred to this exact—

Kelvin Hopkins: I hope my hon. Friend will forgive me for feeling slightly uncomfortable about having a consensus with the Conservative party on this matter. If, by breaking and moving beyond the consensus, we are making a more progressive move, which will help those who are less well off, is that not a good thing?

Angela Eagle: My hon. Friend, whom I admire and respect, should have a close look at what the distributional effects of flat-rating the state second pension are. Such an approach ensures that those paying over the upper earnings limit will not receive earnings-related extra accruals after 2030. Flat-rating the state second pension is a progressive thing. It appears that the Conservative party, after being in a consensus, has decided that it does not want something as progressive as that.

Interestingly, when the state second pension consensus, which the Bill puts into effect, was being forged, the Conservative spokesperson in Committee, the hon. Member for Eastbourne (Mr. Waterson), said that

> "abolition of the S2P and state earnings-related pension scheme rules would result in marginal reductions in second pensions for some older workers, but that is more than made up for by the earnings-uprated basic state pension."—*[Official Report, Pensions Public Bill Committee, 30 January 2007; c. 199.]*

By that argument, he blew out of the water all today's claims about the Bill being a stealth tax, because he explained precisely the balance of the personal tax package that the Bill helps put into effect. Although the upper earnings limit increases cost money, that money is recycled and given back to people by the later changes in pensions uprating and the earnings relation.

Yet, a few weeks later—we have seen more of this again today—the shadow Work and Pensions Secretary said that the provision was

> "a new stealth tax on retirement".

He said that despite the fact that his party supported flat-rating the state second pension when the Pensions Act 2007 was going through Parliament. The Conservatives are now voting against it, so what are we to make of the opportunism demonstrated by the position that the main Opposition party has taken today? We can conclude that the Conservatives are searching for press releases and headlines. They are giving one impression one minute and the opposite impression when they are in front of audiences. They say what they think a particular audience wants to hear, hoping that nobody will put two and two together and realise that they are saying one thing to one audience and completely the opposite to another.

Where will that approach get the Conservatives? It will mean that few people will take seriously their pronouncements on cross-party consensus and on their approach to these policy matters. If they are in favour of flat-rating the state second pension, why have they been so hostile today to the measure that implements it? If they were so against it in the first place, why did they not even bother to vote against it when it was debated during consideration of the Pensions Act 2007?

The hon. Members for South-West Hertfordshire and for Putney (Justine Greening) asked whether we knew at the time of the Budget that there was an issue about aligning the state second pension flat-rating the, upper earnings limit, and the changes that the Bill brings into effect to prevent unintended windfalls for those who earn above the higher earnings limit. We knew that that was the case, so this is not, as has been alleged, incompetence; in fact, the figures featured in the Red Book as part of the national insurance contributions calculations. We were aware of the issues involved, but we had to work up the policy options in detail to come to a workable solution in this complex area of public policy.

Justine Greening: In that case, why was there no mention of this proposal in the Red Book?

Angela Eagle: The arithmetic in the Red Book took account of it. We knew that there was an issue about increasing the upper earnings limit faster than had been expected. We also knew the implications that that would have in terms of unlooked-for and unearned windfalls for higher rate taxpayers with respect to the state second pension. We were working through policy on this, but if the hon. Lady were to look, she would see that the issues are taken account of in the Budget arithmetic.

The hon. Member for South-West Hertfordshire made no real mention of child poverty or pensioner poverty, but he was very concerned about the small number of people earning above the higher earnings limit who may make minor losses because of some of the changes to the state second pension. That again proves that the Conservative party is for the few and not for the many.

The hon. Member for Rochdale (Paul Rowen) made an interesting speech, in which, to his credit, he talked about child poverty and his concerns about whether the target could be reached. He also made some comments about pensioner poverty, and I tried to bring those to his attention at the time. He said that he supported the Bill in theory and that he liked the first part of it but not the second. He supported the increase in the upper earnings limit, but then said that his party was going to vote against the Bill anyway; that seems an odd thing to do. He said that he had problems with the upper accruals point and the state second pension point. Again, we can talk about that, although the Liberal Democrats have a distinct policy on a citizen's pension, which he discussed and which has been consistently put forward. It involves some difficulties and issues, but it has been their policy for a long time.

I cannot understand why the hon. Gentleman feels that the Bill needs to be voted against when he supports

[Angela Eagle]

at least half of it. If he wished, he could have raised some of these issues in Committee. We could have debated whether his concerns could be accommodated in some way and whether we could make progress, but he has decided, despite supporting at least half the Bill, that he must vote against it.

Paul Rowen: I am happy to make an offer to the Minister across the Floor of the House. Will she give us a guarantee that the money that will be saved by the upper earnings accrual will go straight into ensuring that the state pension is, from next year, put back to being related to earnings? Does she agree that that would be a progressive move that all parties could support?

Angela Eagle: I am not so certain that hypothecation of income in that way is exactly as progressive as the hon. Gentleman says it is. Despite his interest in child poverty, by voting against the Bill he is saying that the 200,000 people who are being raised out of poverty by the changes as part of the personal tax package that the Bill puts into effect should not be. He refused to talk about the 1.8 million fewer children who are in absolute poverty as part of the changes that we have made in the past 10 years, including the 600,000 fewer in relative poverty. Perhaps he and I could agree that that is better than the doubling of child poverty that we saw in the previous 18 years. After all, we have a consensus on some things across the Floor of the House.

The hon. Gentleman had some surprising thoughts about pensioner poverty increasing hugely, when in fact we spend £11 billion a year more in real terms than was spent on pensioners in 1997. That money has been focused on those in need and we have lifted close to 2 million pensioners out of absolute poverty. Nor did the hon. Gentleman mention that, as part of the changes in personal taxation that the Bill helps to introduce, 600,000 extra pensioners will be taken out of tax completely. That means that once these reforms have been introduced 57 per cent. of pensioners will pay no tax whatever. I hope that he might now admit that he should have at least recognised the progress that this Bill will make in that regard.

Steve Webb: The Minister was given notice about an hour ago of this question and I hope that she can now answer it. Can she confirm that every pensioner in Britain is getting a smaller share of national income now than each pensioner was getting 10 years ago? She has had a chance to receive a note, so is that true or not?

Angela Eagle: The hon. Gentleman should realise that this is the first Government ever to cut the link between age and poverty. People over 60 are now no more likely to be in poverty than any other cohort in society. That is an achievement of which this Government can be extremely proud, and the hon. Gentleman should applaud that achievement.

It is not true that pensioner poverty has not been tackled. We have spent a great deal of money on tackling it and we have made a big difference to the poorest pensioners, who have seen the largest gains. The hon. Member for Rochdale should at least admit that we will spend £15 billion a year more by 2020 under the pension reforms. As I have said, 57 per cent. of pensioners will pay no income tax from 2008.

The hon. Member for North-East Hertfordshire (Mr. Heald) made one of his usual contributions, which I always enjoy. He and I have been in the House a long time and spent a lot of time on Select Committees together bantering about our different views of politics and how society should be run. However, I have never known him be so cheeky as to pray in aid Barbara Castle. He also talked about SERPS—the state earnings-related pension scheme—and professed great outrage that it had been cut so often, but he failed to remind the House that the Tories introduced the largest ever cut in SERPS in the Social Security Act 1986. That was in between cutting the link with earnings and telling people, as they descended into poverty, with child poverty doubling and pensioner poverty soaring, that if it was not hurting, it was not working. I congratulate the hon. Gentleman on his sheer brass neck.

On the Government proposals to claw back money by introducing an upper accruals point early, the flat-rating of SERPS was one of the recommendations of Adair Turner's Pensions Commission, and it had cross-party consensus when it was published. There was a statement in the House and the Conservatives said that they agreed with it. The Bill will essentially achieve that, but all those who have spoken tonight have said that they are against it. What are we to believe? The hon. Gentleman mentioned increases in national insurance contributions, but the biggest increase was in 1985, when the Conservatives abolished the upper earnings limit for employers. That was done by Nigel Lawson.

I know that Barbara Castle, who was a doughty fighter for social justice, a fantastic Labour Minister and a particular heroine of mine, would have congratulated the Government on their work in attempting to abolish pensioner poverty. She would also have noted with interest the effect of the state second pension and the pension reforms. Many people underestimate the radical nature of those reforms. The Bill is in essence a paving Bill that will ensure that the reforms to the pension system can be put in place. When they are completed they will reduce the number of years of contributions required before individuals qualify for a full pension from 44 years for men and 39 years for women to 30 years for everybody. That is a substantial and progressive change that Barbara Castle would have been proud to introduce herself. I am sure that she would have congratulated this Labour Government on doing so.

Another aspect of the pension reforms with which the Bill will assist is the crediting in of those people caring for older people and those with disabilities, as well as children, for the first time. That is something that Barbara Castle campaigned on all her life. Indeed, she used, as a main reason for the original introduction of SERPS, the broken earnings records of many women. The changes involved in the state second pension and other pension reforms will, for the first time, ensure that women are not disadvantaged by broken earnings records. Crediting in will start in 2010, and we can look forward to the once unthinkable achievement that 90 per cent. of women, like 90 per cent. of men, will qualify for the basic state pension in their own right by 2020. Barbara Castle campaigned for that all her life and she would be extremely proud that it is to happen.

The hon. Member for Broxbourne (Mr. Walker) smelt rats and talked about stealth taxes, as did the hon. Member for Putney. However, if they agree that there should be a balanced package as part of the pension consensus, it is unfair to try to claim that the bits that increase tax are bad while failing to mention the bits that return that income in the form of the tax changes that are part of the package. It is important to consider the package as a whole. I reject the view of many Opposition Members that the measure is part of a stealth tax. Actually, it is part of an extremely balanced package that will enable the pension reforms that I have just mentioned to be brought into effect at the same time as the changes in personal tax rates. That will lead to our having the lowest rate of income tax in 75 years and will mean that we get 200,000 children out of poverty and 600,000 pensioners out of paying tax. We must continue to pursue that aim and the Bill will enable us to do that.

The hon. Member for Putney talked a lot about stealth taxes.

Rob Marris: Does my hon. Friend agree that the phrase "stealth taxes" is completely meaningless? We in the House know what taxes are; we debate them all the time whether on Finance Bills or Bills such as this. The phrase "stealth tax" is emotive and meaningless and is typical of the empty rhetoric from the Opposition.

Angela Eagle: My hon. Friend is obviously right to call me to order on that point. I must stop internalising these heavily accented phrases and realise that any tax rise appears in the Red Book, is not carried out behind everybody's back and is there for everybody to see.

When the hon. Member for Broxbourne was smelling a rat, he said something with which I have difficulty. He said that the nicest Treasury Ministers had been sent to the Front Bench to sell this measure.

The Chief Secretary to the Treasury (Andy Burnham): What did he mean?

Angela Eagle: Not only does my right hon. Friend the Chief Secretary feel insulted because he does not think that he should be left out of the phrase "the nicest Treasury Ministers", but I feel insulted because the hon. Gentleman is ruining my reputation by making out that I am nice. By trying to compliment those on the Front Bench, he has succeeded in insulting us all. Perhaps that was his original intention.

The hon. Member for Putney was not the only one to say that the Bill would somehow remove parliamentary scrutiny of the upper earnings limit by abolishing the seven-and-a-half times limit on where the upper earnings limit can fall. If she had been a bit more generous, she might have admitted that the Bill will use the affirmative resolution procedure, which means that any future changes to the upper earnings limit will have to come before this House and the other place and be subject to a debate with a potential vote. I do not see that that change should give anyone cause for concern in terms of parliamentary scrutiny. The House always considers extremely carefully affirmative resolutions that come before it. I do not think that the hon. Lady should worry too much that any future increase in the upper earnings limit will somehow go through the House without anyone noticing.

The hon. Lady talked about the potential burdens on business, and she is right to say that the changes before us rely on an increase in administration. However, I have to point out to her that that will be modest even if, as with all these things, it is regrettable. The Conservative party signed up to the flat-rating of the state second pension and that will require the administrative change to be made, so the only difference is that it is being made three years earlier than planned. I assure her that we have had detailed conversations with the appropriate members of the business community to see whether we can minimise the burden.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My hon. Friend will be aware of the importance of national insurance contributions to our public services and, in particular, to the health service. Will she perhaps expand on what would happen if the Bill were defeated tonight and on how that would impact on public services?

Angela Eagle: My hon. Friend is right. I suspect that Opposition Members will have to explain to their constituents, perhaps over the Christmas period, why they went into the Lobby to vote against taking 200,000 children out of poverty and 600,000 pensioners out of tax.

As the Bill goes into Committee, clearly a number of points will have to be debated at greater length. I am sure that my right hon. Friend the Financial Secretary will look forward to having those debates. However, let me once more remind the House what the Bill will achieve. First, it will allow us to deliver a package of changes that will create one of the simplest personal tax structures of any developed country so that the two main rates of income tax apply to the same bands of income as the two rates of national insurance contributions for the first time in our history. Secondly, the Bill returns the timetable for the introduction of a simple flat rate state second pension scheme to around 2030, as recommended by the Pensions Commission, rather than its being delayed by several years. The Bill simplifies our personal tax system and it brings forward the simplification of our state second pension system. I commend it to the House.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 291, Noes 161.

Division No. 033] **[7.56 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Bryant, Chris

Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Wishart, Pete
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Dave Watts and
Steve McCabe

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Boswell, Mr. Tim
Bottomley, Peter
Brazier, Mr. Julian

Brokenshire, James
Browning, Angela
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Campbell, rh Sir Menzies
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Maclean, rh David
Main, Anne
Maples, Mr. John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penrose, John
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stunell, Andrew
Swire, Mr. Hugo
Syms, Mr. Robert
Teather, Sarah
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Williams, Stephen
Wilson, Mr. Rob
Wilson, Sammy
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:

Mr. Nick Hurd and
Mr. John Baron

Question accordingly agreed to.

Bill read a Second time.

NATIONAL INSURANCE CONTRIBUTIONS BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A (Programme motions),

That the following provisions shall apply to the National Insurance Contributions Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on 22nd January 2008.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Tony Cunningham.]*

Question agreed to.

COMMITTEES

Mr. Deputy Speaker (Sir Michael Lord): With the leave of the House, we shall take together motions 5, 6 and 7.

Ordered,

CHILDREN, SCHOOLS AND FAMILIES

That Mrs Maria Miller be discharged from the Children, Schools and Families Committee and Adam Afriyie be added.

INNOVATION, UNIVERSITIES AND SKILLS

That Adam Afriyie be discharged from the Innovation, Universities and Skills Committee and Mr Tim Boswell be added.

WELSH AFFAIRS

That Mr Stephen Crabb be discharged from the Welsh Affairs Committee and Mark Pritchard be added.—*[Tony Cunningham, on behalf of the Committee of Selection.]*

PETITIONS

Post Office Closures (Cheshire)

8.11 pm

Mr. Stephen O'Brien (Eddisbury) (Con): In rural and remote areas, post offices are often the lifeblood, and the last remaining outpost, of community life. That is certainly true in Eddisbury, where they are vital. However, we are now faced with a brutal, unnecessary and appalling process whereby the post offices in four wards in my constituency are being decimated by a Government-inspired death by a thousand cuts.

I wish to present four petitions regarding four post offices that are threatened with closure, as is the case for Meadowbank post office, which is on the outskirts of Winsford, the main conurbation in my constituency, and three post offices in much more rural villages or hamlets: Cholmondeley, Tilston and Threapwood.

All the petitions declare that the enormous

community value as well as the services available

at the respective post offices

are vital and must be maintained.

The petitioners of Cholmondeley, Tilston, Threapwood and Meadowbank, and their respective neighbouring districts—they are all relatively cut off from other areas where people may access services—request that the

House of Commons urges the Government and Post Office Ltd. to retain

the post office in each particular area

and the full services that our post offices provide to local people and the most vulnerable groups in our communities; and further requests that the Government and Post Office Ltd. withdraw their plans and undertake an honest review to examine how, rather than destroying our Post Offices, we can secure their long term future.

Following is the full text of the petitions:

[The Petition of residents of Cholmondeley and its neighbouring districts,

Declares that the community value as well as the services available at Cholmondeley Post Office are vital and must be maintained.

The Petitioners therefore request that the House of Commons urges the Government and Post Office Ltd. to retain Cholmondeley Post Office and the full services that our post offices provide to local people and the most vulnerable groups in our communities; and further requests that the Government and Post Office Ltd. withdraw their plans and undertake an honest review to examine how, rather than destroying our Post Offices, we can secure their long term future.

And the Petitioners remain, etc.]

[P000091]

[The Petition of residents of Meadowbank and its neighbouring districts,

Declares that the community value as well as the services available at Meadowbank Post Office are vital and must be maintained.

The Petitioners therefore request that the House of Commons urges the Government and Post Office Ltd. to retain Meadowbank Post Office and the full services that our post offices provide to local people and the most vulnerable groups in our communities; and further requests that the Government and Post Office Ltd. withdraw their plans and undertake an honest review to examine how, rather than destroying our Post Offices, we can secure their long term future.

And the Petitioners remain, etc.]

[P000092]

[The Petition of residents of Tilston and its neighbouring districts,

Declares that the community value as well as the services available at Tilston Post Office are vital and must be maintained.

The Petitioners therefore request that the House of Commons urges the Government and Post Office Ltd. to retain Tilston Post Office and the full services that our post offices provide to local people and the most vulnerable groups in our communities; and further requests that the Government and Post Office Ltd. withdraw their plans and undertake an honest review to examine how, rather than destroying our Post Offices, we can secure their long term future.

And the Petitioners remain, etc.]

[P000093]

[The Petition of residents of Threapwood and its neighbouring districts,

Declares that that the community value as well as the services available at Threapwood Post Office are vital and must be maintained.

The Petitioners therefore request that the House of Commons urges the Government and Post Office Ltd. to retain Threapwood Post Office and the full services that our post offices provide to local people and the most vulnerable groups in our communities; and further requests that the Government and Post Office Ltd. withdraw their plans and undertake an honest review to examine how, rather than destroying our Post Offices, we can secure their long term future.

And the Petitioners remain, etc.]

[P000094]

Rail Services (Kettering)

8.13 pm

Mr. Philip Hollobone (Kettering) (Con): I have the privilege of presenting a petition on behalf of a group called Kettering Rail Users, which is understandably appalled, as am I, by the cuts in train services to and from Kettering that are proposed by Stagecoach's subsidiary, East Midlands Trains. The petition has been signed by 2,485 people.

The petition states:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled.

The Humble Petition of Mr Christopher Groome of Kettering Rail Users and others of like disposition listed below,

Sheweth,

That East Midlands Trains, part of The Stagecoach group, proposes, in December 2008, to cut, from present levels, the number of weekday passenger trains from Kettering to London by 5%, the number of weekday passenger trains from London to Kettering by 18% and the number of weekday passenger trains from London to Kettering by 30% in the evening peak, whilst halving the main passenger rail service northbound from Kettering.

Wherefore your Petitioners pray that your Honourable House urges Her Majesty's Department of Transport to call upon East Midlands Trains in its proposed timetable to reinstate these services together with fast and semi-fast services to and from London and a far more frequent service northbound so as to restore Kettering's inter-city rail service and provide the Borough of Kettering with the rail service it needs to serve a rapidly expanding local population.

And your Petitioners, as in duty bound, will ever pray, etc.

[P000090]

Post Office Closures (West Sussex)

8.15 pm

Tim Loughton (East Worthing and Shoreham) (Con): I have pleasure in presenting a substantial petition that has been signed by no fewer than 5,002 residents of Worthing and Adur in West Sussex on the subject of local post offices. The petition appears under the title "Local People need Local Post Offices". I will shortly have the fortune to speak on this subject in a little more detail in the Adjournment debate. Such a substantial number of signatures has been raised in the space of just a few weeks.

The petition states:

The Petition of Post Office Users of Worthing and Adur,

Declares that the closures proposed by the Post Office Ltd (POL) to nine post offices located in Worthing and Adur in West Sussex, which come on top of previous substantial closures and are the most severe changes suggested in the whole of Sussex, are not in the best interests of local residents many of whom are elderly and are unable to travel the increased long distances that closures will entail, local shops who rely on Post Offices to encourage local business or indeed the local community as a whole which already experiences long queues for access to post offices.

The Petitioners therefore request that the House of Commons urges Her Majesty's Government to, as a matter of urgent public importance, instruct the Royal Mail Group to suspend this closure programme and redefine the criteria on which closures are being proposed with regard to the hardship it will cause communities with high levels of elderly people and deprivation and poor public transport links in particular.

And the Petitioners remain, etc.

[P000087]

The petitioners have very kindly attached a piece of festive tinsel to their petition.

Post Office Closures (Adur and Worthing)

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Diana R. Johnson.]*

8.18 pm

Tim Loughton (East Worthing and Shoreham) (Con): As promised, I will opine in a little more detail regarding the calamitous prospects arising from the proposed closures of post offices in my constituency and neighbouring constituencies. I am especially pleased that my hon. Friend the Member for Worthing, West (Peter Bottomley) is in the Chamber, because he is a joint victim of the proposals. I am delighted that we have no less than two hours and 12 minutes in which to impress on the Minister the seriousness of what faces our constituents.

If ever there was a subject for a topical debate, it is this, because exactly five weeks ago, on 13 November, the Post Office published a list proposing the closure of 49 sub-post office branches throughout Sussex. In one week, the so-called consultation on the proposed closures will end. That consultation period of just six weeks closes on Christmas eve. This is not the best time of year genuinely to ascertain the views of local people and businesses that will be affected by such devastating closures. The situation is certainly not the best Christmas present for my constituents who are faced with losing post offices that they have been used to using for many years. It is particularly disgraceful that, contrary to Cabinet Office guidelines, which say that it is good practice to provide a consultation programme of at least 12 weeks, we face a truncated period of just six weeks in the run-up to Christmas.

That is not genuine consultation, and it contrasts starkly with the consultation on the reconfiguration of West Sussex hospitals, which ended just a few days before the consultation on post offices started. The consultation launched by the primary care trust—which, as I say, finished just a few days before we were faced with the shattering news about the post offices—was not six weeks long; it was not even 12 weeks, although it started off as that. It lasted for 18 weeks. It was a genuine consultation that took into account the views of thousands of our constituents across Sussex, who feel strongly about losing vital hospital services—at least I hope that it took their views into account; it certainly provided the opportunity for that to happen. The hospitals and the primary care trust ran an 18-week consultation on hospital services—a period with which we are all satisfied; there were certainly no qualms about the length of the consultation period and the opportunities for people to have their say. Why do local post offices merit only six weeks, and that in the run-up to Christmas?

On 13 November, we were given the news that no fewer than seven sub-post offices in my East Worthing and Shoreham constituency faced closure. We have already lost about 11 branches in the past few years, so we thought that we would be relatively immune to further closures. Of the seven proposed closures, five will be in the district of Adur, which covers roughly two thirds of my constituency, and two will be in east Worthing. That total of seven is the highest number of closures proposed anywhere in the Sussex division. A further two branches face closure in the constituency of

[Tim Loughton]

my hon. Friend the Member for Worthing, West. That is the highest number in Sussex by far. Why are we singled out for such treatment?

That is not the best Christmas present for my constituents, particularly coming on the back of recent news that Worthing borough council and Adur district council face a shortfall in excess of £600,000 in the money needed to run the bus concessionary fare scheme—a scheme that we all support and want to flourish, but for which central Government are not properly remunerating us. It also comes on top of the news, announced just a week ago, that West Sussex will yet again receive the lowest increase in Government central grant of any shire county. It is also on top of the news that we face downgrading of our local hospital services, as I have mentioned. We feel rather put upon in West Sussex, but particularly so in East Worthing and Shoreham, now that we are threatened with post office closures, too.

My constituents say to me, "What have we done to deserve being treated so unfairly by this Government? If it's not the hospitals, the bus concessionary grant, or the post offices, it's something else. What will we be faced with in the new year?" This year, people in Sussex, who are usually fairly genteel and law-abiding, have taken to the streets and written letters in their thousands to protest at their treatment at the hands of the Government, whether it be in respect of the health service, the transport system, or what is happening to the Post Office.

It is no surprise that I have just presented a petition signed by no fewer than 5,002 people. Many more signatures will be added in the next week or so, and I shall present them to the Post Office before the consultation ends on Christmas eve. In addition, many hundreds of letters have been written to the Post Office; my hon. Friend the Member for Worthing, West, and I have been copied in to many of them. They concern real-life experiences, and they show that when we talk about the post office closures, we are not just talking about some Post Office number-cruncher dealing with figures in his office, but about real-life experiences and examples of hardship that will be inflicted upon my constituents. It is no surprise that the public meetings that we have held on the subject so far have all been packed out.

Dr. Andrew Murrison (Westbury) (Con): Does my hon. Friend share my mystification about what appears to be the Post Office's lingering death? I refer to outreach services, which have been proposed as a way not of closing post offices but of downgrading services in many parts of the country, including mine. Does he share my concern that people cannot really know what those outreach services will be, and so cannot contribute meaningfully to any consultation? That is symptomatic of the cult of consultation, in which the Government are involved in a major way; my hon. Friend mentioned the health service.

Tim Loughton: To paraphrase Monty Python, "Outreach services? You were lucky!" We are not getting any of those. The prospect of 500 outreach services replacing static, well-used post offices is apparently not on offer in West Sussex. Those 500 will not be a compensation to my constituents. In other parts of the country, people may be able to use mobile or temporary services, but apparently not in West Sussex. My hon. Friend may face the prospect of losing post offices, but if he at least gets something in their place, he is doing well compared to our constituents in West Sussex. I urge him to seize those outreach services with enthusiasm.

I have mentioned that Adur and Worthing councils, and West Sussex county council, have all debated the issue and passed motions condemning the action of the Post Office and the way in which the proposals undermine our local communities. My constituents have been on a number of impromptu marches. Last Saturday, I joined a group of constituents in North Lancing who had arranged to walk from a post office that is threatened with closure to the nearest alternative post office, which is just under a mile away as the crow flies. However, my constituents are not crows and have to take a safer route. In monsoon conditions, no fewer than 80 people marched, including many people who are well into their 80s, just to show the strength of feeling about the closures.

Mr. Stephen O'Brien (Eddisbury) (Con): My hon. Friend makes a compelling case on the difficulties in his part of West Sussex. I am sure that his constituents will find it some comfort to know that they are not alone, and that we face precisely the same problems in Cheshire. I have just delivered four petitions, amounting to more than 600 signatures, which were collected in a matter of a few days. We are talking about people who live in what the Government describe, rather patronisingly, as the shire counties. The Government seem to think that for such people, community life is automatic. It is not; it depends on local post offices and a local commitment to community life. Have he or his constituents noticed that there may be victimisation of shire counties, in the way in which closures are allocated across the country? My constituents have been telling me that they think that the Government despise shire counties, and that the proposals are one way of getting at them.

Tim Loughton: My hon. Friend makes a good point. Of course, he has form on the issue; I followed with great interest his comments in a recent Westminster Hall debate on the Post Office. He mentioned Cholmondeley and other local branches that face closure, and he has just presented, on behalf of his constituents, petitions that are slightly thinner, but no less heartfelt, than mine. He mentioned the Post Office's divide-and-rule tactics. It has tried to pitch one post office against another, on the basis that a set number of post offices are due to close, and if it is not one that closes, it will be the other. Those are despicable tactics. Post offices provide a service to local people; they are not in competition with each other. My constituents are not terribly concerned about whether one branch does better business and is more profitable than another. They are concerned about their branch being there to offer the services on which they greatly rely.

My hon. Friend makes a good point which applies particularly to rural constituencies. However, that is not the case in my constituency, which is largely urban. The same is true of my hon. Friend the Member for Worthing, West. The half of my constituency, roughly, that is rural and in the downs has very little population. It is mostly populated by sheep. The post offices are based in the urban coastal strip of Sussex, so the closures are not a rural constituency phenomenon, but we are a shire county and seem to be treated unfairly by the Government.

I do not want the debate to be about the post office closure programme per se. That was covered by my hon. Friend the Member for Eddisbury (Mr. O'Brien) and many other hon. Members in a Westminster Hall debate on 29 November, to which the Minister replied. It was a very good debate, responding to an excellent Select Committee report presented by my hon. Friend the Member for Mid-Worcestershire (Peter Luff) at that time. I share the reservations expressed by many hon. Members across the Chamber during that debate about the arbitrary number of 2,500 post office branches which the Government, in their wisdom, have deemed to be subject to closure and instructed the Post Office to close. We share the concern, as we did a few years ago, about whether this is the end of the programme, or whether we will be back in a year or a few years, facing yet another wave of closures We have already cut to the bone. The present round of closures represent cutting into the bone and the bone marrow. Goodness knows what still can face us.

I also have reservations, which I share with those who took part in that the debate, about the lack of transparency about the financial viability of individual branches. Are we closing the 2,500 least profitable branches, or are some only marginally loss-making? In which case, what has been done to see how the deficits could be narrowed, subsidised from elsewhere or helped by future expansion of services? The figures are clouded by the way in which central costs are apportioned, which seems to be some mysterious calculation to which we are not allowed to be privy. Always, when we try to get to the bottom of the figures, we are told that they not available owing to commercial confidentiality.

I share the concerns that were raised in that debate about the lack of transparency about other hurdle criteria that are being used to justify closures, such as house building forecasts. There seems to be no mention of the fact that in West Sussex we are facing a substantial centrally imposed Government house building target. Thousands of extra homes are due to be built in our constituencies, regardless of the sustainability of the infrastructure available to service them.

There is also a lack of transparency about population growth accompanying that house building, and a lack of transparency about how deprivation figures are used. Many of us have wards that are among the 20 per cent. most deprived in the country. Furthermore, there is a lack of transparency about how the high pensioner populations that we have in coastal Sussex figure in the calculations.

I share the concerns expressed in that debate about the sustainability and capacity of existing public transport links to the post offices suggested as alternatives to those that are being closed. In West Sussex we face severe tightening of our budget for subsidising bus links. Invariably, the greatest subsidies go to rural links. In our towns we face the biggest squeeze on those subsidies. Some of the bus routes that, we are told, are perfectly viable alternatives now, may not be there in a year. People will be told, "It's simple. You jump on the No. 9 bus and go to the alternative branch," but in a number of months or years they will not have that luxury, even if it is a practical alternative at present.

I sympathise with the concerns raised during that debate about the effect that the closures are having on communities. Those communities have already seen wide-scale closures of post office branches. In many cases they have seen a retrenching of bank branches and a reduction in other businesses reliant on those financial concerns. I thought that the Sustainable Communities Bill, which the House rightly passed in the last Session, was about the Government standing up for such vital community services, but it appears to feature not at all in the proposals being put forward.

Mr. O'Brien: I am grateful to my hon. Friend for giving way a second time. He is discussing the evidence base for the present round of closures. It seems to emanate from a remarkably round number—2,500—of post offices that are destined for closure. He mentioned the invidious practice of setting one sub-postmaster or postmistress against another, so that if one is saved, another has to go, because there is some absolute determination—almost gesture politics—to get those 2,500 branches closed. I have not seen the evidence base for that, despite the debate that we had on a Select Committee report, no less, in Westminster Hall recently, which my hon. Friend so rightly referred to. In preparation for his remarks this evening, which I am following with great interest and support, did he establish whether evidence has at last been adduced by the Government to show that that 2,500 is anything more than an arbitrary figure to make sure that they get where they want to get to, without any regard for local communities or their services?

Tim Loughton: I have researched long and hard—not only for this debate, but for conversations with constituents, for public meetings and for meetings with Post Office representatives, Postwatch and the National Federation of SubPostmasters—and I cannot find an evidence base for most of this. When one tries to ask questions about an evidence base, the issue is clouded by all the commercial confidentiality garbage. If there were a serious evidence base—if we were given the figures and told that if a certain branch could make x thousand pounds in additional revenue it would be saved, or that if it had x hundred additional customers per week it would be viable, that would be different.

However, we do not know such things; we are not given the data on which we can make proper value judgments on whether the Post Office is just dutifully doing what the Government tell it and adhering to the completely arbitrary figure of 2,500 branches. We are told that the figure is "up to" 2,500 branches, but the Post Office makes it absolutely clear that if certain branches are saved—in the unlikely event of decisions on branches being reviewed—additional victims will be found in the next wave to fill the void. It is worse than decimation, which involves one in 10; what we are talking about affects 18 per cent., or nearly two in 10. That figure will be stuck to.

Dr. Murrison: I agree with my hon. Friend that the evidence base is vital. Does he perceive any adherence to the evidence base in respect of rural-proofing the closures? Notwithstanding his comments about the

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coastal strip, about which he is particularly concerned, the rural-proofing on which the Government are so keen is completely ignored in the proposals. Furthermore, attention has not been given to indices of deprivation in deciding which post offices are threatened with the axe. I share my hon. Friend's concern about the lack of attention to the evidence base. Does he perceive that Ministers have given any attention to it?

Tim Loughton: I do not perceive that, which is why I am keen to give the Minister time to address some of those questions.

I turn to the subject of deprivation. I cannot answer for the rural side, because my constituency is primarily urban. I understand why the issues may be more difficult for rural areas, in which lots of villages are dotted around and justify a larger number of post offices, but I am talking about a densely populated area that is losing more post offices than many rural areas. That is a phenomenon particularly of shire counties, as my hon. Friend the Member for Eddisbury mentioned.

I turn specifically to the branches in my constituency that are faced with the Christmas present of closure. As I said, in May the Government instructed the Post Office to embark on a closure programme of 2,500 branches. On 13 November, after a lot of prevarication and false sunsets for postmasters, the details of which branches were targeted were published. I received advance warning of that list just four days before, on 9 November. That was hardly a courtesy; Members of Parliament should be fully engaged in the process. The details came as much of a shock to me then as when they were published fully the following Tuesday.

I gather that only a few weeks prior to that, individual postmasters were told their fates, presented with a fait accompli and sworn to secrecy in an intimidating way. All the postmasters to whom I have spoken—and I visited every one of the seven faced with closure within days of the announcement—were hesitant about speaking out, even to me at first. However, most have now taken up the cudgels and have been at the forefront of some of the protests and marches, because they resent being intimidated by the Post Office in that underhand way.

As I have said, my constituency is largely urban, so we are not dealing with a problem of far-flung villages. The reason why my constituency is being hit disproportionately is not the way in which the constituency boundaries fall, either. For some reason, the Post Office has been told, or has decided, that the closure programme should be announced constituency by constituency, rather than by district council, borough council or county. In my case, the majority of the closures fall in the centre of my constituency rather than merely happening to be a few hundred yards across the border from the next constituency where closures are not faced. The fact that we are being hit disproportionately is not down to the way the constituency boundaries are drawn.

In Adur, which makes up two thirds of my constituency, we have wards of deprivation that are among the most deprived in the whole of west Sussex and feature in the bottom 20 per cent. of deprived wards in the whole country. In my constituency and that of my hon. Friend the Member for Worthing, West, which neighbours it, we have a high pensioner population. I shall come back to that in a minute.

In Adur, we have 12 post offices, including three Crown branches. Of the nine sub-post offices, five—more than half—now face closure. That is in excess of the 18 per cent. average across the country that the Post Office has reassured us will be the figure for the areas affected. All those post offices are popular, well run, efficient and well used. So I was surprised when the Minister responded to the debate on 29 November with the following comments:

> "We have 800 post offices that serve fewer than 16 customers per week. In those offices, the subsidy per transaction is around £17. We have 1,600 offices that serve fewer than 20 customers per day—the subsidy per transaction in those offices is £8. There are around 1,000 sub-post offices in competition with six or more branches within one mile, and customer numbers have shrunk by around 4 million per week in recent years."—[*Official Report, Westminster Hall*, 29 November 2007; Vol. 468, c. 181WH.]

That is a fair comment. In a response to a written question from me, he wrote:

> "In taking a strategic overview of service provision in areas of over-provision, Post Office Ltd. will ensure that people will be able to find an alternative branch nearby and the vast majority will still be within walking distance of their nearest office. With the least used offices, the numbers of people affected, will, by the nature of the offices, be low. I understand from Post Office Ltd. that under the area plan proposals for Sussex, 99.6 per cent. of the population will either see no change to the branch they currently use or will be within one mile of an alternative branch."—[*Official Report*, 5 December 2007; Vol. 468, c. 1339W.]

How can it be that 5,002 of my constituents so far—substantially more than the 0.4 per cent. that would be left out of that figure given by the Minister—have signed a petition, written letters, come to public meetings and started to march? We are being hit disproportionately.

The picture that the Minister painted in the debate to which I referred does not represent any of the branches faced with closure in my constituency. It is certainly not a picture that any of the sub-postmasters who face closure would identify with at all. I visited all those branches several times, and I want to concentrate on five of the seven branches faced with closure. Two of the sub-postmasters have resigned themselves to closure. They have had enough. They have had enough of seeing their business taken away from them by the Post Office. They have had enough of intimidation from the Post Office. They want to secure what they can by taking the compensation now, because their future is uncertain and their retirement largely relies on it. One cannot argue with that.

Mr. O'Brien: My hon. Friend is making a comprehensively good case for a fundamental review of the closure programme in his constituency. It resonates entirely with the experience in my constituency. In addition to the intimidation involved in the whole process, one sub-postmaster was unable to secure any assurance that there would be any chance, if they survived the cull on this occasion, that they would be offered the same compensation for giving up their business on a future occasion. They are rational people and, quite understandably, they have decided that it is in their best interests to take the compensation and reinvest the money. So they are now going to have to pull down the post office section in their premises and restock the area, which will now form part of the shop. Thank goodness we still have the shop, in that instance. The problem has been the intimidatory nature of the proposal, the suggestion that there will be no compensation in future if it is not taken now, and the way in which attempts were made to silence these people—although they have come out fighting—and to suggest that it was impossible to obtain evidence to support them. There is a real sense that everything has been deeply intimidatory and done by cloak and dagger.

Tim Loughton: My hon. Friend is absolutely right. Many of these sub-postmasters are between a rock and a hard place. They have seen the loss of TV licences, car tax and passports, the reduction in the remuneration that they get for their business post, and the furore over the Post Office card account. They have seen these things being taken away from them, and they have seen their revenues shrink as a result. The Post Office then makes the case that they are much less profitable than they used to be.

Many of these people have built up and run their businesses over many years, and they were to have provided for them in their retirement. One of the first things that the Government did was to take away retirement tax relief. Those businesses, like many other small businesses, were thus severely hit because they were run by people who had not been able to set up their own pension funds but who had bought into and grown their businesses to use as a pension fund. They hoped to sell them to provide a nice nest egg, and to reinvest the funds for their retirement. They are now faced with a very uncertain future. Understandably, some postmasters—although not the majority in my constituency—have decided to take the money and run.

I am not saying that I am against all change. Because of competition and the way in which post office services are evolving, those services need to be rationalised. No one denies that. My party has put forward proposals for rationalisation that would secure the sustainability of many post office branches for much longer. However, my constituency has been disproportionately targeted. These post offices are the wrong target in the wrong places. In contrast, the three next-door constituencies that make up the city of Brighton and Hove—a city of about 750,000 people—face a total of five closures. In my constituency alone, the total is seven.

The closure map that the Post Office has helpfully provided is marked up with red crosses to show proposed closures and green stars to denote the branches that are to be kept. If only this were the hospital proposal map. It has lots of nice red crosses all over it, where I fear that hospitals will be downgraded. The number of red crosses on the map is very alarming. The seven remaining post offices in Adur will serve populations of 8,500 each, on average. That is way above the average for populations in other parts of the country. In contrast, the 15 remaining branches in Worthing—a much larger borough which is also being hit particularly hard—will serve populations averaging 6,666 each. Why should Adur have fewer post offices to serve larger populations?

I want briefly to touch on those five branches in my constituency which I believe to have been wrongly targeted. The first is the Mill Road branch in North Lancing, an urban community that is set aside on its own in the centre of my constituency. The postmaster is Ali Nahid, who is known and respected by many people. He is one of the postmasters who have been supporting the protests against the closures. He runs a post office that has been there for 138 years.

The North Lancing residents action group, a particularly well organised and fearsome bunch of local residents who really gauged the feeling of local people, leapt into action and carried out a survey, to which I will return in a few moments. The group had someone standing outside that branch every day for quite a long time. The survey results revealed not 20 customers a week or a dozen a day—which is the case at the sort of post offices to which the Minister referred—but 133 customers using the shop in which the post office is located every single day, of whom 100 use the post office. That is 100 a day, six days a week, using a post office now faced with closure.

The second post office in my constituency is in Bowness avenue, Sompting. It is run by Carol and Brian Attwater, who were again at the forefront, literally and physically, of the protests of recent weeks. They have two full-time post office desks in the shop as well as the post office counter, and every time I have been there I have seen that both those desks have a queue. The postman who picks up the post from that branch says that he picks up more post there than goes to the main branch in Lancing—the alternative branch, which will be the only Crown post office left serving that whole district. This is not a branch where somebody occasionally ambles in to buy a stamp and ambles out; it is a very busy, well-run sub-post office.

The third branch, the Downlands sub-post office in east Worthing, is run by Michael and Rosemary Wilkins. That branch won the post office of the year award in 2004 and a Royal Mail innovation award because it was obviously doing so many things right in the eyes of the Post Office. Over the past few years, business at that post office has increased, not decreased, even with all the different aspects taken away. The business transacted at that post office has increased and considerable investment has been made in reinforcing the counters and the whole post office paraphernalia—not least because we have had some violent raids in some Worthing sub-post offices in recent years. Again, we are talking about a well used post office, but once again that was not reflected in the Minister's comments in the debate of 29 November.

The fourth is the Old Shoreham post office run by postmistress Karen Crook. Again, it is a busy branch. There are several sheltered accommodation blocks just across the road, and the number of over-85-year-olds in the ward is 50 per cent. above the national average. I remind the House that in neighbouring Worthing, 4.6 per cent. of the population is above 85. This is the highest concentration of over-85-year-olds in the whole country, if not Europe, if not the universe—perhaps. We have a very high concentration not just of elderly but of very elderly people whose mobility is limited and who rely greatly on post offices like these. Campaigners trying to save that post office have also cited provisions from the Disability Discrimination Act 1995, as we believe that those people are being discriminated against in the lack of access they will have to the alternative post office branches.

The fifth branch is the Broadwater Road Parade branch in Worthing, run by Mr. and Mrs. Myring. I said earlier, and my hon. Friends interjected on the same subject, that we are concerned about the quality

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of information used as the basis of these decisions. I found those concerns to be justified when I first visited this branch. Furthermore, the official posters issued by the Post Office for display to notify customers of the closure proposals referred to the Parade branch in Worthing in East Sussex, yet Worthing is in West Sussex. Clearly, the Post Office does not even know the location of its own branches. I have to say that its decisions are based on some rather dodgy data.

We are also greatly concerned because we were told by the Post Office that researchers—we do not know when; perhaps in mufti at the dead of night—had been visiting these post office branches to do their research on viability. Not a single one of the postmasters I spoke to had met any of those researchers. None of the researchers had revealed themselves to the postmaster or any of his staff in the branches concerned. Nobody had been spoken to locally. What sort of research are those people supposedly gathering?

Although the full figures are not published because of commercial confidentiality, postmasters tell me that more than half the revenue in the branches I have mentioned comes from the post office part of the business. All those branches are situated in shops. It is a common claim of the customers that the quality of service at those sub-post office branches is far better than that at the main Crown post office branches, which they will now have no alternative but to use, and that their accessibility is also greatly superior.

I will now hone down to the Sompting-Lancing area in the centre of my constituency. It is faced with the closure of not 18 per cent. but 60 per cent. of its post offices. Lancing—the largest parish, and technically the largest village in the whole of England—and Sompting, which merges into it, have a population in excess of 29,000 people. The vast majority of those people will now have access to one main Crown post office, in the middle of a very busy urban village. There will also be a sub-post office out on a limb servicing another part of Adur. That Crown post office is already overwhelmed, even without the extra business that it will have to subsume from the three post offices faced with closure.

That branch is the alternative now put forward by the Post Office. Last Monday, I was told that the typical waiting time in queues at that branch was at least 25 minutes. The Post Office was also surprised to hear that the policy of that main branch is that nobody is allowed to bring more than five parcels in one go; if they do, they must rejoin the queue and present the rest of their parcels 25 minutes later. Just down the road, however, is one of the largest business parks in West Sussex, with no fewer than 160 businesses with a lot of parcel post. What are they expected to do? At the moment, they are well served by the sub-post offices.

The main branch in Lancing also has very limited parking, which is already at a premium, particularly within close walking distance of the post office, and no disabled parking close by. At the branches threatened with closure, particularly at Mill road in Lancing and Bowness avenue in Sompting, parking outside is easy. As I said, nearby Lancing business park has a lot of business postage that relies on those sub-post offices. Not surprisingly, every single one of those businesses that was approached to sign the petition that I handed in earlier this evening, signed it readily.

The closure of those sub-post offices also has a knock-on effect on surrounding businesses. That issue has been discussed by those involved in Sompting village hall, who are filled with horror at the prospect of losing post office branches locally. They say, in reference to the Bowness Avenue branch, that the Bowness Avenue retail precinct is Sompting's only significant neighbourhood shopping centre, and that it is already in decay, with one unit vacant and three occupied by businesses usually associated with run-down facilities—printers and janitorial supplies. They also say that the loss of the post office would further greatly reduce the appeal to and income from local shoppers, while a reduction in the cross-selling that arises in such centres would further threaten the businesses themselves and hence the communities that they serve.

On the effect of the closures on communities, Adur district council has produced a detailed paper which was discussed at a full council meeting at which resolutions were passed objecting to the closures. Let me quote from one paragraph in the paper that refers to the impact of the last wave of closures on my constituency in the Adur district.

It states:

> "There have already been branch closures within the Adur District in 2004/05. One of the areas the impact of this was most marked was in Fishersgate",

which is on the border with Hove and Portslade. It continues:

> "The loss of such a vital service has fuelled concerns by the community about the general erosion of community based services affecting the social and economic life of neighbourhoods and has been further compounded by the withdrawal of public transport from the area. There is a fear that future Post Office closures may catalyse the degeneration of neighbourhoods. It remains important to local communities and local businesses that Post Offices are not closed where they are needed most."

What happened in Fishersgate, probably the most deprived part of my constituency, and a community that felt really put upon? Last year, its school faced closure. Fortunately the county council saw sense, and after a fantastic campaign by staff and local parents, in which I was involved, the decision was overturned. A few months later, the school went on to win the title of school of the year in the south-east region. That was an important sign for the community, because the previous year it had lost its post office, the shop in which the post office was sited, and most of the shops neighbouring the post office. Residents felt that the heart of the community had been ripped out.

That is what happens when a post office goes. People do not merely say, "Oh, we have lost a post office; now we'll have to drive a mile to a new main post office." It means the loss of the heart of a community to people who have relied on the post office as a community focus, and to businesses which have relied on it for their purposes. That is what happened in the most deprived part of my constituency, and history will repeat itself if the closures proceed in the form that is being suggested.

Let me say more about the deprivation factor. According to Adur council's paper,

> "the access criteria accorded to deprived urban areas…are disappointingly only with regard to the 15 per cent. most

> deprived Super Output Areas (SOA's). Adur does not have pockets of deprivation at these levels but however we have several SOA's which fall into the 20 per cent. most deprived. Most notably the communities of Churchill Ward"

in Lancing—

> "and Peverel Ward"

in Sompting—

> "who would access Bowness Road in Sompting. This is particularly an issue for Adur given that areas of urban deprivation generally exhibit isolation, poor transport links, and poor provision of and access to local services, and are therefore the places in which Post Offices can perform the most valuable social and economic role."

The citizens advice bureau has produced an interesting paper giving figures relating to usage. According to a survey that it conducted:

> "Thirty nine per cent. of respondents visit the Post Office several times a week or more. This rises to 47 per cent. amongst those receiving means-tested benefits and 50 per cent. amongst people aged over 65".

Members can imagine the impact on the communities that I have described. The survey also found that the

> "majority of people (74 per cent.) currently walk to the Post Office branch that they use most often".

That is the sort of exercise that the Government, and indeed all of us, wish to encourage, but many people will now have no alternative but to seek less healthy modes of transport.

The Post Office is also guilty of citing misleading travelling distances when it tries to claim that the vast majority of people will still have access to a post office branch within a mile of where they live. That would be all very well for someone who lived in the post office at Bowness avenue, Saltdean, or in the post office in Mill road, Lancing, but many people live to the north or the west of those branches. A large number of my constituents in parts of Lancing and Sompting will be faced with round trips of not 0.9 miles but up to four miles, not as the crow flies but as people walk—safely, we hope, but crossing main roads. That is what will be required of a population containing higher than average numbers of elderly and deprived people. That is the reality of what the Post Office seeks to do, notably in the case of the Mill Road post office branch in Lancing. I hope that the House is forming a good picture of my constituency, particularly the part of it that is in Adur. The North Lancing post office branch is up a steep hill.

To access the surviving main post office in Lancing, people will have to cross the A27—one of the most congested roads in Sussex—and also one of the most dangerous, until a few years ago, when the Highways Agency saw sense and built a pedestrian crossing. In the previous 14 years, 13 people had been killed, many of them students at the school that abuts on to the A27.

Using that footbridge will add another mile to the journey, or one can take one's life in one's hands and use the zebra crossing. Ivan Fallon, a resident of North Lancing, and his volunteers surveyed the alternative routes to the main post office. They found that 134 customers used the shop every day, of whom 100 used the post office. Those 100 were asked what they would do if the post office was not there. Eighty-four said that they would drive to the main post office; only 16 could face the prospect of walking.

Those people would have to use a pedestrian crossing at which, it was calculated, up to 40 vehicles are held for 20 seconds on average. There will be quite an impact on the traffic flow of that main road. Mr. Fallon and his team also calculated that those additional car journeys to the local post office would generate an extra 25 tonnes of greenhouse gases per annum. Offsetting that environmentally would require the planting of 31 acres of trees every year. Mr. Fallon is a bright man and I would not challenge his figures.

Such environmental considerations feature nowhere in what we have heard from the Post Office. What environmental criteria have been used? The answer apparently is none. The Post Office appears to be immune from climate change and to have no responsibility, liability or duty of care to consider the carbon footprint of its proposals. That is bizarre. At a time when we have seen so much about the progress made at Bali, at home in the real world people are faced with increasing their carbon footprint because, apparently, the Post Office does not give a damn and does not have to give a damn about environmental considerations.

What discussions has the Post Office had with the Highways Agency about the extra traffic on the A27 alone? We do not know; we have not been told. What discussions has the Post Office had with the highways authority, the county council, regarding the extra parking that will be required? We do not know; we are not told. What discussions has the Post Office had with Adur district council on the provision of extra car parking and disabled car parking? We are not told, we do not know and Adur does not seem to know how it features.

What discussions has the Post Office had with the police? At one of our public meetings, two local police community support officers came along and, unusually for people in uniform, were moved to get up and say that if the Mill Road post office went, it would seriously impact on their jobs. These closures have implications way beyond some people having to walk a bit further to buy their stamps.

This is happening without any guarantees about the capacity of the remaining post offices, particularly the North Road post office in Lancing, to cope with the existing demand. A common cry at the public meetings has been that the 400-odd Crown post offices are losing about £70 million. Most of my constituents would rather close the Crown post offices and keep the sub-post offices open, because they provide a better, more efficient service in places where the public actually want to use them—but we are not given that option. Can the Minister tell us why this is so weighted towards closing popular sub-post offices?

All this is happening without any guarantees about the accessibility of the North Road branch to customers, the availability of parking and the sustainability of public transport or any consultation on disability access. As I said earlier to my hon. Friend the Member for Westbury (Dr. Murrison), apparently we are not to benefit, either, from the 500 outreach services that are being offered as a sop to other parts of the country faced with losing their post office branches. All this is happening without the Post Office having any obligation to consider environmental factors in relation to the closures. What has been the impact of the Sustainable Communities Act 2007, under which the Government are to consult local authorities about promoting local

[Tim Loughton]

sustainability, including maintaining local services such as post offices? Was it all a waste of time?

I also want to quote further from the excellent Adur study prepared by Natalie Brahma-Pearl of the healthy living department. She truly gets to the nub of some of the problems we face.

> "The access criteria has fundamentally been applied to mislead. It makes no reference to the fact that some residents in, existing Post Office catchments are already travelling a mile to the proposed closure Post offices and the reference to distance to alternative in the consultation plans is misleading. For example if a resident were to live in Cokeham Ward or North Peverel Wards in the Sompting area of the district then for them to actually access their nearest proposed alternative in North Street Lancing would in fact be nearer 2 miles and not the 0.90 miles quoted."

We should also consider the demographics of those wards affected by the sub-post office branch closures. In the St. Nicolas ward in Shoreham the proportion of over-65-year-olds is 23 per cent. compared with the England average of 15.9 per cent. In the Sompting wards it is 21.7 per cent. In the South Lancing ward of Widewater it is 27.7 per cent. Areas with well above average age demographics are affected by the proposed closures.

Let us also look at how these post offices interact with the local council. The payment of council tax and rent is one of Adur district council's largest services, available at local post office counters through the use of payment cards as well as at a number of local shops. That is consistent with Department of Trade and Industry—as it then was—proposals, as detailed in another part of the report.

> "In the first six months of 07/08 approximately £1 million of Council Tax has been paid this way and £500,000 rents have been collected using this method. Approximately 25 per cent. of Adur's Council Tax transactions are paid over the counter. Should more Post Office branches close in the District, this may impact on the Council's ability to offer our own services in local neighbourhoods."

Again, there will be an impact on the local council, when it is trying to do what the Government are urging it do—use local post offices. There will be an impact on the council's ability to service its tenants and its council tax payers properly.

The final paragraph of the Adur report states:

> "Following previous closures in the Adur District, the access criteria determined by the DTI, suggest that the network as it now exists, is the barest minimum needed to provide a proper and effective Post Office counter service to our local residents. Further closures are not substantiated or justified in any part of the district as these would result in a significant loss of essential local facilities for a large proportion of our resident and business population. This is especially the case for Post Offices in the Sompting/Lancing areas, in particular Bowness Road, Sompting."

Those are the words not of a politically motivated local council, but of an officer of my local council in Adur who does her job well and knows her area particularly well, and who knows the impact that closures will have on our populations.

Similar comments have come from Worthing borough council. It recently passed a motion that reads:

> "This council further notes the social importance of local Post Office outlets to the well-being of individuals and communities in Worthing. It believes that the latest closure programme is unnecessary and calls on the Government to"—

among other things—

> "Remove the Royal Mail restrictions on the Post Office to open up further business opportunities for the network".

So these proposals have no support. Until now, I have not relied on the perhaps more emotional testimonies of my constituents and individual people within Worthing and Adur. I could have done—I could have quoted from scores and scores of letters that I have been copied in on, as has my hon. Friend the Member for Worthing, West. Up to now, I have relied on the practical considerations of these post office closures for my constituents, my communities and my constituency, such as traffic and parking, alternative destination distances, environmental concerns and the impact on communities.

However, I want to read out a few of the comments received in those letters. Perhaps, Mr. Deputy Speaker, you will indulge me. These are real-life experiences of people who are not politically motivated; in many cases, they have never written to their MP before, or to the Post Office. The first states:

> "I am in my late seventies and am the sole carer for my eighty four year old husband who has Alzheimer's Disease, Fibrosing Alveolitis and Heart Failure. He is on continuous oxygen so is totally housebound and cannot be left for more than a few minutes. The Post Office is an absolute lifeline for me. I can only walk a limited distance and would have to drive to use the main Lancing Post Office. Queues there are long, with no place to sit and there is no convenient parking."

Another one from Lancing says,

> "the return journey"—

to North Lancing—

> "is all uphill, in many cases very steep, and the buses do not venture 'up the hill'.
>
> If I am to continue to live independently, the only way I will be able to obtain any cash, will be to take a taxi, or ask one of my friends or neighbours for a lift to the village"

every week.

Another one from Lancing states:

> "Parking is a nightmare in Lancing plus you need to pay for parking if you can't find a place on the road, which I never can. The bus service does not come up the top of the hill where I live, also again the cost is already expensive."

Another one states:

> "The shop"

in which the post office is sited

> "provides a service available to all the residents in North Lancing along with the shops in Manor Road. Without this shop the area will be degraded and certainly downgraded."

Another one, from a pensioner:

> "Many might queue for 35 minutes in the Post Office and then find that they have missed their half-hourly bus home and have to stand for another 30 minutes."

A further one states:

> "I am an 86 year old lady who is registered blind and with limited mobility...To use this Office means that I will have to cross the very busy A27 road to catch a bus. The crossing allows 75 seconds for pedestrians to cross, unfortunately due to my problems I have difficulty crossing in this time.
>
> I have all my money in the Post Office and my pension is paid into it. Due to there being no Banks in close proximity, I cannot make alternative arrangements to have my pension sent anywhere else so I am forced to use the Post Office."

Another one, from Sompting:

> "There are five sheltered housing complexes south of the line as well as large estates of bungalows mainly lived in by pensioners...there is no public transport to North Road from the main South Lancing area."

Another states:

> "North Lancing is on a hill which means walking up the hill to get home as the bus service only comes just into North Lancing and does not come up the hill. This will cause hardship to a lot of people."

Here is one from a business:

> "It seems the Royal Mail are trying to accelerate, and not reverse the 'falling customer numbers, decline in traditional services such as Government based business, changing consumer behaviour and rising losses in the Network'. I for one will have no choice than to do my bit and hasten your demise."

Another one, from Worthing, states:

> "I am horrified at the thought of closure of the Downlands Post Office and the impact it would have on the neighbourhood…Mr. and Mrs. Wilkins give an outstanding service to the community and deservedly won one of your national awards in 2004."

Another one from Sompting:

> "This is the only Post Office in a large area where it is possible for disabled drivers to park."

Another one from Lancing—I am almost finished, Mr. Deputy Speaker—says:

> "The waiting time in the queues is already often 20 minutes or more at busy times, even when all the counters are open".

So how are the remaining post offices going to have the capacity to cope?

Another letter from Sompting states:

> "We do not want to see another parade of smart well kept shops reduced to flaking paint, battered shutters and vandalism."

Another letter states:

> "No wonder that the local community spirit is dying and people are becoming more and more isolated."

Finally, someone from Sompting comments:

> "To close a branch whilst spending huge amounts on television advertising, calling it 'The People's Post Office' is pure stupidity."

The "people's Post Office" advertising campaign adds insult to injury, as does advertising the Christmas club that the Post Office is going to offer, when my constituents face losing the majority of their sub-post offices and will not be able to access such services. Everyone is up in arms, including the local media. The *Shoreham Herald* and the *Worthing Herald* have as usual played a fantastic part in covering and supporting this campaign, and Splash FM, the Worthing radio station, has, as ever, been supportive of the local communities.

People are in shock over these proposals. Local residents, businesses and the sub-postmasters are shocked. Even Postwatch and the National Federation of SubPostmasters, which is based in Shoreham in my constituency, admitted to me that we are being hit disproportionately. Postwatch was very unhappy with the way that the proposals affected my constituency and believed that it had almost been misled in the way in which the evidence had been put forward to it. Even the Post Office representatives who came to see me when the closures were announced admitted to the disproportionate effect that the closures are having on my constituency.

The fate of these post offices is in the hands of the Minister. The Government have instructed the Post Office to make 2,500 closures, so he cannot simply pass the buck to the Post Office. I hope that the consultation programme, albeit truncated to six weeks, is a genuine one. I say that because a recent letter in Brighton's *The Argus* referred to the previous time that the closure programme was threatening post office branches—in that case, Brighton was affected. The writer stated:

> "The Preston area of Brighton had three post offices closed in 2003."

He then mentioned a public meeting held to try to save those branches, saying:

> "The Chairman of Postwatch and Post Office managers were at the meeting. They said all the letters and petitions would be carefully considered. However, there was a reporter from The Argus at the meeting who revealed that the Post Office had already released a press release giving details of the final closure dates for all the threatened post offices…All of this happened within a few days of the final day for objections so there could not have been any meaningful consideration of the objections from residents."

I hope that the Minister will satisfy himself that I am being too cynical in suggesting that the decisions have already been made and that the consultation exercise is a token box-ticking exercise. Such an exercise would be an enormous insult to the 5,002 people who signed the petition that I just handed in and to the many hundreds who have written letters and turned out in support of these post offices. I am not optimistic, because a similar exercise took place in Kent earlier this year. I believe that only two decisions have been rescinded in respect of the 58 Kent post offices faced with closure, and that only two decisions were rescinded in respect of 71 in the west midlands.

Is the consultation genuine or not? Does any of the information presented and the case that I have made in the past hour and six minutes count with the Post Office? Will it count with the Minister? Will he at least give a guarantee that he will ensure that the Post Office is not just sifting through these letters and petitions rather laboriously and taking no notice of them, but is genuinely taking into account the very special reasons why some—not all—of the post offices faced with closure in my constituency should have their decisions reviewed. If the Post Office is genuinely to be called the people's Post Office, the Minister owes it to the people to give ownership of some of the decisions to the customers who use and rely on those post offices. They have a right to continue to rely on a very important community service.

I hope that the Minister will take these comments on board fully and give my constituents, who are faced with losing their post offices in East Worthing and Shoreham, a happier new year than the bleak Christmas prospect that they face as this consultation ends a week from today.

9.25 pm

Peter Bottomley (Worthing, West) (Con): I am grateful to my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) for letting me join in his debate and I am delighted that the Minister has been listening attentively. If he is free on Thursday, will he come to the meeting with the Post Office at the Broadwater parish rooms in the centre of Worthing? My hon. Friend and I will be there. I am sorry that the Post Office has not been able to come to an earlier meeting, although two of their representatives did join my hon. Friend and me for a discussion at the beginning of the proposals.

[Peter Bottomley]

Can the Minister confirm that one of the reasons why the Post Office network is under such pressure is that a former Secretary of State for Social Security agreed with the Treasury to give up the £400 million income that the post office network received for helping to pay out money? One of the reasons why that matters a lot in Worthing—although it could be copied in 300 other pairs of constituencies as this terrible programme rolls out—is that people over 85 are not those who get their car licences on the internet or who can get their money conveniently when they go out to work. At 85, relatively few are working. They are the people who are well represented by my hon. Friend and by our local media. I join him in paying tribute to our local papers, the *Worthing Herald*, the *Lancing Herald*, the *Littlehampton Gazette*, the *West Sussex Gazette* and *The Argus*, and the radio stations. Local people buy their papers at the post offices, as well as doing their transactions. Most of them do not take out fistfuls of £20 notes. They take their money in £5 and £10 notes because they do not want to be mugged on the way home.

I shall not repeat the points made by my hon. Friend, but I wish to add one or two points. First, I remind the Minister of Pythagoras. If one walks east for 0.6 miles and then north for 0.8 miles, that gives 1 mile because the Post Office measures distances as the crow flies, but it is actually 1.4 miles—$c^2=a^2+b^2$. As my hon. Friend points out, a person may already have walked to the first post office. When we walked with his constituents from the Bowness Avenue post office to the next nearest, we had to go north then east, because we could not go north-east. It took well over half an hour and we walked past two closed post offices on the way.

This is not a new process: it is the continuation of a process that has closed seven post offices in my constituency. There are still people in Ferring, Rustington, Goring and central Worthing who deeply regret the decisions that were made then.

Tim Loughton: My hon. Friend joined us on the march from Bowness avenue to the main post office in Lancing North street. The most direct route was through several twittens—as they are called in Sussex—and across a park and lanes. Many of the elderly ladies said that they would never do that route on their own, especially not after dark. They only did it on that day—and many were only just able to complete it—because there were 100 of us with a police escort.

Peter Bottomley: Other people are concerned by the proposals, including Henry Smith, the West Sussex county council leader. He says:

> "Of these closures, three are rural post offices, the others are in urban areas, with a concentration on the coastal strip."

Why are we targeted the whole time? It is not only that the constituencies have Conservative Members of Parliament. I am glad to say that the Liberal Democrats locally have an online petition and in the end supported the all-party motion on Worthing council.

John Livermore, the chairman of the Worthing county councillors' committee, says that the proposal will cause extra congestion on the roads. If it is true that three quarters of the people who use our post offices walk to them and if it is true that fewer than a quarter will walk to the alternatives, the Minister will deliberately be creating extra traffic. He should say to the Post Office, "You have the freedom, if you judge it right, not to close the Heene Road post office." That post office is in the centre of not just the constituency that has perhaps the highest proportion of over-85-year-olds in the country—it is what the whole country will be like in 20 years' time—but probably has the highest proportion of any ward in Worthing. The area has a very high proportion of people who are reasonably active and who can get to the local post office, but who will find going along Rowlands road much more difficult. The Minister may say that the distances involved are not the greatest, but let us remember that most of the pensioners who go to the Heene Road post office come in from the west and have probably already walked half a mile to get there. They are within the limits of how far they can easily get.

There are different arguments for The Strand post office, which is sited where a post office really matters. It is near to Worthing college where many young people go for their sixth-form and further education, to Lloyds TSB Registrars where 2,000 people work, and to the headquarters of the primary care trust. Just over the railway, 800 people work on Inland Revenue business both directly for Her Majesty's Revenue and Customs and for the consultants who are developing its software. In addition, there are many people in that residential area and they will have to go from the Strand to George V avenue in Goring. I will go with the Minister if he would like to volunteer for that walk, but if he comes down on Thursday, he will have to allow extra time because of the traffic jams that already exist. It is not an easy walk from the Strand to George V avenue, and the first person I consulted when I left the Strand post office was blind. He said that he would not be able to go to the post office at Limbrick corner on Palatine road or to 292 Goring road, which is another option suggested by the Post Office. The alternatives are totally impractical for the people in that residential area or for the people who come to the Strand because their work or education takes them there.

Will the Minister kindly tell the Post Office that it has the freedom to make decisions based on a judgment of the local circumstances? It may have been required to put forward an average of four closures for each constituency, but it does not have to carry them through if he will allow them that option.

I have referred to local people and I wish to quote from a letter from Judy, who lives in Goring, an area where the local Liberals did most of their petitioning. Goring does not have a post office under threat at the moment, but Judy says that, although her own post office is not threatened with closure, she is concerned about those in my constituency and in east Worthing. She says:

> "The nation is being encouraged to use motor vehicles less and to walk and cycle more for health. Closing post offices within walking distances, particularly for those who find walking difficult, will lead to people returning to motor vehicles. Some may cease to go out at all, increasing their dependency on either friends or Social Services.
>
> Worthing, in particular, was planned to have separate parades of shops providing facilities for each small community."

That is the kind of "sustainable community" language that the Government use as propaganda. I do not think that they believe in it; we used to do similar things without using the propaganda terms. Judy says:

> "These parades have largely survived…they should now be coming back into considerable use."

We have heard about banks closing their branches, but Judy says that she uses her local post office more and finds that there are frequently queues and not just in the run-up to Christmas. I remind the Minister what happened when the post office in Bath place in central Worthing closed, people had to queue even in the rain for 20 minutes at the main post office at the corner of Chapel street and Union place. That post office is between the constituency office and my home in Worthing, and it is a crying shame to see people getting drenched in an area where they cannot park. However, if they have parked their car, they have to ask themselves whether to put money in for 10 minutes, half an hour or for 40 minutes. That is the sort of question that people have to face.

Judy ends by asking how the remaining post offices will cope with more customers and notes that the staff will probably lose the knowledge of those who require special attention: the deaf, those with learning difficulties, people who are physically slow and those who have no

> "obvious sign to mark themselves as needing consideration from strangers."

The Minister has a bit of explaining to do, but he should realise that what he has heard in this debate may be repeated in all the other constituencies around the country. East Worthing and Shoreham and Worthing, West are leading the country not just in the number of elderly people that they have, but in the fight that we have described. I hope that the Minister will join us and give us words of comfort and then say to the Post Office, "You can rescind these decisions. Let the people on the south coast and in Worthing and district have the facilities that they want."

9.34 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate the hon. Member for East Worthing and Shoreham (Tim Loughton) on securing this debate on post office closures in his constituency and I congratulate the hon. Member for Worthing, West (Peter Bottomley) on his short contribution.

As I said in the debate on this issue a few weeks ago, I understand that this is a difficult process that causes concern in local communities. It has been a difficult decision. Like the hon. Members who have spoken, I appreciate that the Post Office provides an important and valued service in local communities. It is also a service that has evolved and changed over time. As the hon. Member for Worthing, West said just a few moments ago, the number of post offices has been falling for some years. There is a reason for that—however difficult this matter is. The service is being used by fewer people than before and is losing significant amounts of money. There are 4 million fewer people going through the doors of post offices every week than there were just a couple of years ago. The network loses several million pounds a week. Of the just over 14,000 post offices in the network, three out of four lose money.

If the network were run on a purely commercial basis, which we do not believe it should be, the number of post offices would be about 4,000—not 14,000—with perhaps some more living on the margins of commercial viability. However, that is not the way that we think the Post Office should be run. As I said in the Westminster Hall debate, there are also some 1,000 sub-post offices competing with six or more branches within a mile of them for the declining number of customers.

So why is the number of customers declining? Why is the Post Office losing money? A big part of it is down to lifestyle change. People gain access to their money in different ways from before. They often pay bills in a different way. Particularly in the last few years, the way in which people communicate with one another has gone through a technological revolution. Let us take the example of pensions. Eight out of 10 pensions are now paid directly into bank accounts. For new pensioners, the figure is more like nine out of 10. Reference was made to some of the online services—for example, paying car tax. The option of paying car tax is still available in several thousand post offices, but now that the service is available online, it is used by about 1 million people a month. Almost half those people use the service outside normal office hours.

Such changes are unlikely to be reversed. Of course, as the hon. Member for East Worthing and Shoreham said, and as I entirely accept, they do not affect everyone. Not everyone is online. Not everyone chooses to pay their bills by direct debit. But the changes are real and have an impact on the pattern of custom at post offices. They are part of the reason why customer numbers have been in decline.

I acknowledge that there is also a cost element. It costs the taxpayer about 1p to pay a benefit or a pension directly into a bank account. It costs the taxpayer about 80p if the same transaction goes through the Post Office card account, while it costs the taxpayer about £1.80 a time if that is done by girocheque. A Government of any colour would look at those figures and add them up for the millions of pensions and benefits that are paid every week and every year.

As I said, the Government do not regard the Post Office as a purely commercial service. In fact, they are investing some £1.7 billion of taxpayers' money until 2011, including an annual subsidy, which did not exist in the past, of about £150 million. However, even with that large public subsidy, it was necessary to reduce the size of the network. That point was recognised by the National Federation of SubPostmasters. At the start of the process, its general secretary said:

> "although regrettable, we believe that these closures are necessary to ensure the remaining post offices thrive in the future".

Reference was made to the compensation paid to sub-postmasters and mistresses leaving the network as a result of the programme. I do not accept the notion that the payment of that compensation somehow represents intimidation.

Peter Bottomley: The point that is being made is that the sub-postmasters and mistresses got the impression—as was the case last time round—that if they did not accept the terms available now, those same terms would not be available if they were pushed out of business in one or two years.

[Peter Bottomley]

While I am on my feet, may I ask the Minister to confirm that the Post Office will take account of not only the petition presented today by my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) and that which I added to the petition bag, but others that have been handed in, such as that of Councillor John Rogers, the councillor for Castle ward, and, to be non-political, what the Liberals have done? Will the Minister ask it how many representations it has received?

Mr. McFadden: The hon. Gentleman raises two points. I am making the point that I think that it is right to recognise people's service though the financial compensation process. That is a managed process for reducing the size of the network, and it is in contrast to what happened in the past, when people were leaving in an unplanned way, without access criteria, and thus leaving holes in the network. He also mentioned petitions, and I am sure that the Post Office will take all representations on the process into account.

I spoke a bit about the lifestyle trends behind declining post office customer numbers. Those trends are unlikely to go away; in fact, they might well intensify. That creates a challenge for the post office network. The answer will be not turning back the clock to the situation some years ago, because these technological changes will not go away, but giving people new reasons to use post offices and offering a range of services that will make them the local provider of choice.

I recognise that the process is difficult for the local communities affected, but even after the programme is over, the post office network will be bigger than that of all the banks put together. The network will still be some three times bigger than the top five supermarket chains combined, and it will still have an unparalleled reach into every corner of the UK, both urban and rural.

Tim Loughton: We can have a separate debate about the impact of supermarkets.

The Minister has been speaking for 10 minutes, and while I agree with much of what he is saying—a lot of it is what I quoted him as saying on 29 November—the debate is about post office closures in Worthing and Adur, yet he has not mentioned Worthing and Adur once. I want a response to the severe proposals that will affect my constituents and those of my hon. Friend the Member for Worthing, West (Peter Bottomley). Will he turn his attention to that?

Mr. McFadden: If the hon. Gentleman does not mind, I shall reply to the debate in my own way, rather than with the speech that he wishes me to make. The Post Office management have been trying to develop new products and to rise to the challenge of innovation, in order to attract new customers. For example, the Post Office is now the biggest provider of foreign exchange in the country. It is a major provider of car insurance. It has launched a new broadband service, for which people can pay in cash. It has introduced 4,000 free-to-use cash machines, often in the most deprived areas. It has also begun to exploit the potential of internet shopping and mail order through its local collect service, which allows customers to collect deliveries at their local post office.

The hon. Member for East Worthing and Shoreham criticised the Christmas prepayment scheme, but I welcome its launch. Given what happened to Farepak, there is an appetite for secure Christmas prepayment schemes. The scheme will be in place for next Christmas. I welcome that kind of innovation. Innovation is taking place, and it is important that it does, because for post offices, the future is dependent on increasing customer numbers.

The hon. Gentleman asked about process, the consultation and the implementation of the closure programme. The plan covering his constituency is one of 47 area plans, based on groups of parliamentary constituencies. The plans have to comply with the access criteria announced in May by the Secretary of State. Even though the network will reduce in size, the access criteria are designed to ensure that unacceptable gaps are not left in the network. The hon. Members for East Worthing and Shoreham and for Worthing, West asked about the access criteria; I shall go into a little more detail on that point for them. Under those criteria, 95 per cent. of the population in urban areas should be within 1 mile of a post office.

Peter Bottomley: As the crow flies.

Mr. McFadden: Yes, as the crow flies. Deprived urban communities were originally defined as the bottom 10 per cent., but as the hon. Member for East Worthing and Shoreham rightly said, it is now the bottom 15 per cent. Some 99 per cent. of the population in such areas should be within a mile of a post office. In rural areas, 95 per cent. of the total population should be within 3 miles. We are talking about the nearest post office within a radius. That is how the access criteria are worked out. I hope that that gives hon. Members clarity on the points that they raised. The Post Office is supposed to take into account other factors, such as whether there are motorways in the area, public transport availability, local geography and so on. It has to take a number of factors into account in applying the access criteria.

The hon. Member for East Worthing and Shoreham asked about the length of the consultation period. The Government consulted for 12 weeks on their overall proposals for the post office network, which were published a year ago. The consultation considered the principle of whether there should be post office closures, and the new outreach proposals. The hon. Gentleman asked about the six-week consultation period; the same period was used in the last round of planned closures, during a process called urban reinvention. The consultation is preceded by discussions between Post Office Ltd, local postmasters, local authorities and so on. So the whole process in each area takes significantly longer than six weeks, and the process of pre-consultation helps to frame the proposals before they go out to consultation. The process across the country will take about 15 months from start to finish.

The Government were mindful of the views of the National Federation of SubPostmasters, which said:

> "To minimise distress amongst sub postmasters, it is important that the local consultation process is carried out sensitively and speedily. Prolonging decision making regarding sub post office closures will blight the business as well as creating a stressful environment for sub postmasters".

Uncertainty has been a factor. That is why we have come up with a timetable.

The hon. Member for East Worthing and Shoreham described a number of ways in which the proposals will affect his constituents and his constituency. In addition to the access criteria, there is an important role for Postwatch, which he mentioned. There is the possibility of a three-stage review process for contentious cases, which will take place when Postwatch and Post Office Ltd disagree about individual decisions. He implied that that was the case with one or more of the proposals affecting his constituency. Post Office Ltd announced recently that in cases where no agreement can be reached between Postwatch and Post Office Ltd a review process will take place through several levels. At the final stage, Allan Leighton, the chairman of the Royal Mail Group, will review the issues before reaching a final decision. If it is helpful to the hon. Gentleman, I am happy to send him the press release announcing the review process, which was issued a couple of weeks ago.

With reference to the consultation and its boundaries, the basis of the process was set out clearly by the Post Office before the process began in the letter circulated to MPs. That letter stated:

> "As you will understand, the consultation in respect of the Local Area Plan will not concern the principle of the need for change of the Network, nor its broad extent and distribution... Rather consultation will be seeking representations on the most effective way in which Government policy—as set out in the Response Documents—can be best implemented in the particular Area in question."

The Post Office was clear about the nature of the consultation even before the process began.

The first area plan went out to public consultation on 2 October. Eight consultations have now closed and four are currently open. The first final closures were announced last week, although none will take place until after the Christmas holiday period. Under the current timetable, the final consultations are due to be completed by October 2008 and it is intended that the whole process should be concluded around the end of next year.

Tim Loughton: With the greatest respect to the Minister, he has now been speaking for almost 20 minutes. I entirely accept that he wants to answer the debate in his own way, but the debate is about post office closures in Adur and Worthing. The speech that he has made so far, which may be informative, although I have not learned anything new from it, could have been made about post office closures in Kent, the west midlands or the north of England. I hope that his own way of responding to the debate will include talking about the subject of post office closures in Adur and Worthing, which he has signally failed to do so far.

Mr. McFadden: I understand the hon. Gentleman's point, but he knows that, although the Government have set the framework for the closure programme, I do not as a Minister take decisions about individual post offices. I do not seek to deny the Government's role in the decision; I would not do that. The decision was based on the consultation document released a year ago and the announcement was made by the Secretary of State in May. However, I do not make the decisions on the individual post offices in the hon. Gentleman's constituency. That is a matter for Post Office Ltd, which has published the plan that the hon. Gentleman has spoken about, and is consulting on it.

The hon. Gentleman asked me to ensure that representations would be taken into account. I can do that, but I cannot avoid the difficult decision taken as part of the programme: to reduce the size of the network by the proportions that we have set out; to try to put it on a more stable basis for the future; to compensate the sub-postmasters affected; and to try to develop with Post Office Ltd new products that will attract more custom in future. I want to be clear to the hon. Gentleman that I do not have a role in decisions on individual post offices.

Tim Loughton *rose*—

Mr. McFadden: I give way to the hon. Gentleman—for the third or fourth time, I think.

Tim Loughton: I am grateful; the Minister is being very generous. However, he will understand my frustration about the specific issue affecting my constituents. Notwithstanding everything that he has just said, he mentioned proportions. May I prompt him in this way? If his Wolverhampton constituency were faced with losing not the average 18 per cent. but more than half its sub-post office branches, and if in the central part of his constituency no fewer than 60 per cent. were to be lost, would he think that he had a case for saying that his constituents were being treated unfairly and being hit disproportionately? That is certainly what mine are saying.

Mr. McFadden: The plan that will cover the area that includes my constituency has not yet been published. That will happen in due course. I accept that the process is difficult for local communities and I accept the hon. Gentleman's genuine feelings about it. However, I repeat that I do not have a role in deciding which individual post offices stay open or close. I have set out how the process is decided and the review process, which may or may not be available depending on the views of Postwatch and Post Office Ltd.

Peter Bottomley: The House can understand the point that the Minister is making; we may not think it the right one, but he has put it clearly.

May I put this question to him? Suppose that, having heard the representations from local people, councils and MPs, the Post Office decided to keep the Strand or Heene Road post offices, or Bowness Avenue post office or one of the others in my hon. Friend's constituency. If it decided to keep three of those proposed for closure, would it then have to close three others that it would not otherwise have closed?

Mr. McFadden: We have set the overall framework to reduce the size of the network by about 2,500, so that would happen in some cases. It would not necessarily happen in every case; reference has been made to the proposals for elsewhere in the country where one or two decisions have been changed. Sometimes that will happen. The point to remember is that the costs to be considered include the costs of the individual sub-post

[Mr. McFadden]

offices and the support costs for the whole network. The Post Office is seeking not only to close the number of branches that has been set out, but to reduce its central costs as well. If the number changed hugely, the Post Office would continue to face the losses that it currently faces.

As I said at the beginning, the process is not easy and I understand the concerns that have been raised this evening. I have to inform the House that I am afraid that I shall have to decline the invitation extended to me to visit the constituency of the hon. Member for Worthing, West on Thursday. Post office closures have been happening for some years and they are also happening in some other countries. However, we have tried through the process to manage the reduction in the size of the network, and to ensure compensation for the hard-working sub-postmasters who have served communities so well.

I hope that the new access criteria and the investment over the next few years will mean that the programme, while it reduces the size of the network, will give the post office network some financial certainty as it goes forward to plan its future.

Question put and agreed to.

Adjourned accordingly at Ten o'clock.

House of Commons

Tuesday 18 December 2007

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BOURNEMOUTH BOROUGH COUNCIL BILL *[LORDS]*
(BY ORDER)

Order for Second Reading read.

To be read a Second time on Tuesday 8 January.

MANCHESTER CITY COUNCIL BILL *[LORDS]*
(BY ORDER)

Order for Second Reading read.

To be read a Second time on Tuesday 8 January.

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Paediatricians (Child Protection)

1. **Dr. Evan Harris** (Oxford, West and Abingdon) (LD): What steps he is taking to ensure that sufficient paediatricians undertake child protection work; and if he will make a statement. [174608]

The Parliamentary Under-Secretary of State for Health (Ann Keen): The role of doctors in child protection work is fundamental and very highly valued. That is fully recognised in the comprehensive guidance and support measure that we have provided for doctors and other health care professionals.

Dr. Harris: I am grateful to the Minister for that answer. Will she accept first, for the record, that it is her view, and the Government's view, that fabricated and induced illness in children exists as a condition? Secondly, does she recognise the concerns of the Royal College of Paediatrics and Child Health and other paediatricians that the campaign that exists against doctors who argue for the diagnosis of that condition is deterring, and will deter, paediatricians from taking part in child protection work and that if that happens, the most vulnerable in our society—children who are being abused or who are at risk of abuse—will be the ones who suffer?

Ann Keen: The hon. Gentleman raises some serious issues. A joint letter in my name and that of the Under-Secretary of State for Children, Schools and Families, my hon. Friend the Member for Cardiff, West (Kevin Brennan), was laid before this House outlining the professional's duty of care in child protection, the legal framework in which professionals operate and the basis on which sound professional judgments should be made, fully recognising the role of doctors as vital to the safeguarding of children's welfare.

Mr. Kevin Barron (Rother Valley) (Lab): My hon. Friend probably knows that I am a lay member of the General Medical Council. Does she agree that it is not in the patient's interest, the public interest or the profession's interests if doctors work incompetently and inappropriately?

Ann Keen: I agree with my right hon. Friend, because the seriousness of the issue of child protection could not be more important to the House. It is worth noting that the GMC takes the issue very seriously, and that it is doing so in the recent case, which has brought everything into the public domain yet again.

Tim Loughton (East Worthing and Shoreham) (Con): The Minister will know that the key finding of the Laming report into the Climbié death was a recommendation for better joint working between professionals—not least between hospital clinicians and social workers. Last month, I raised the issue of the National Children's Bureau report with the Secretary of State for Children, Schools and Families. It said that only 47 per cent. of hospitals have hospital-based children's social workers, even though having such social workers was a recommendation of the national service framework in 2004. He promised to take the matter up with the Secretary of State for Health and report back to me. I have not been given that report, so perhaps the Minister could let me know what action has been taken in this vital area of joint working to protect children.

Ann Keen: I thank the hon. Gentleman for his points. "Every Child Matters" is such a serious document, and the operating framework recently published by the Department of Health raised the profile of children's health. We are happy to inform hon. Members from both sides of the House about the important joint working that the Department for Children, Schools and Families and the Department of Health are undertaking on this issue.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Cities such as Birmingham have specialist children's hospitals. Will the Minister ensure that the specialist skills and paediatrician skills that have been concentrated in such facilities are also being conveyed to more general hospitals in the area to recognise child protection issues and to ensure that we do not have an over-concentration of skill in the specialist hospitals? We must ensure that such skills are distributed into the wider area.

Ann Keen: I thank my hon. Friend for that point, because sharing best practice on this issue is vital. That is why we are so pleased that the operating framework puts children as a high priority for the national health service, as it is for other Departments.

Sir Patrick Cormack (South Staffordshire) (Con): Does the hon. Lady accept that although it is crucial that we recognise the vital work that paediatricians do and we are not suggesting that their profession has been called into disrepute, the careless evidence and misguided practices of just a handful have caused untold hardship to a number of women, who have suffered unnecessarily in jail?

Ann Keen: This is always a great worry and the hon. Gentleman is right to raise it. We always need to learn lessons, and that is what we are doing in co-operating with other Departments and, in particular, outside bodies that are familiar with the topic.

NHS Funding Formula Review

2. **Hugh Bayley** (City of York) (Lab): What the timescale is for his Department's review of the NHS funding formula. [174609]

The Minister of State, Department of Health (Mr. Ben Bradshaw): The independent committee that makes recommendations to the Government has requested and been granted an extension for its work. That means that it was not possible to announce three-year allocations. We announced allocations to primary care trusts for 2008-09 last week, giving them a 5.5 per cent. increase. We plan to implement the formula changes for the 2009-10 and 2010-11 allocations, which will be announced by summer 2008.

Hugh Bayley: I welcome the Government's decision to increase the budget for North Yorkshire and York primary care trust to £1 billion a year, but according to the Library, half of all PCTs in rural and mixed rural/urban areas are in deficit, compared with less than one in five PCTs in urban areas. In Yorkshire, rural East Riding PCT is in deficit and the mixed rural/urban North Yorkshire and York PCT is in deficit, but none of the urban PCTs are in deficit. There are pockets of deprivation in places such as York—

Mr. Speaker: Order.

Mr. Bradshaw: My hon. Friend is right to highlight the fact that his PCT is in deficit. In fact, it is one of only eight PCTs that are forecast to be still in deficit at the end of the year. That is a considerable improvement from the 28 per cent. in 2006-07 or the 36 per cent. in 2005-06. He will acknowledge that there were historical problems in the four PCTs that were amalgamated into one. There is no evidence that it is especially difficult for rural PCTs and in fact the vast majority of rural and semi-rural PCTs are well in surplus.

Sir John Butterfill (Bournemouth, West) (Con): When the review takes place, will the Minister ensure that the present arbitrary allocation of specialist units is looked at more carefully? That has affected the Royal Bournemouth hospital, which has probably the finest cardiac angioplasty unit in the south of England, at great cost, but has not been so designated. Can he confirm that even under existing arrangements PCTs have a degree of discretion in designation?

Mr. Bradshaw: PCTs have more and more discretion all the time. The issue that the hon. Gentleman raises about Bournemouth hospital was raised with me during a visit to Dorset last Friday and I have taken it up within the Department. What he is talking about is slightly different from PCT allocations and is about whether a particular service is defined as a specialist service in a given hospital, which affects the funding that that particular service attracts. I will write to the hon. Gentleman about his particular case.

Kelvin Hopkins (Luton, North) (Lab): My hon. Friend will be aware that several PCTs have suffered underfunding way below their fair funding targets for a long time, and Luton is one of them. In any reform of the funding formula, will he seek to ensure that such areas, which have serious health inequalities, will not be disadvantaged?

Mr. Bradshaw: Inequalities are the very reason why the independent review committee has asked for more time to consider the way in which it will change the allocations. I am pleased to tell my hon. Friend that although Luton PCT has had a deficit problem in the past, it is not forecast to have one this year. Like all PCTs, it has received a considerable increase in funding over the past two years. Whereas three years ago one PCT was more than 22 per cent. below its target formula, now no PCT except Northamptonshire is more than 3.5 per cent. below. That considerable improvement has meant that those PCTs that were historically underfunded have moved up to the fair funding level.

Mr. David Heath (Somerton and Frome) (LD): Is there not a need to examine the tariff for individual surgical procedures within the funding formulae? At the moment, the tendency is for independent sector treatment centres, where they exist, to take the low-cost procedures, thus causing an imbalance in those remaining for the NHS units. Do we not need to review that to take account of the fact that the NHS hospitals have to deal with a higher proportion of more complex cases?

Mr. Bradshaw: The tariffs are slightly different from PCT allocations, but they are constantly reviewed. One of the reasons why the hon. Gentleman's local trust in Somerset has become only the second in the country to meet the 18-week maximum wait a whole year early is partly because of the valuable contribution made by the independent sector treatment centre in Shepton Mallet, which is very popular. It is working at above 100 per cent. capacity and we should not deride its contribution to the tremendous achievement on waiting times in his area.

Mark Simmonds (Boston and Skegness) (Con): We on this side of the House have pledged to match the Government's spending plans, with the NHS being our No. 1 priority. There is, however, significant evidence of enormous disparities in cancer and stroke funding between trusts, which fails to reflect the prevalence of disease. Given the top-slicing of primary care trust budgets, which exacerbates funding inequalities, and consistent calls both from the Opposition and the Health Committee to make funding formulae more equitable, why have the Government taken so long to bring forward urgently required new proposals for funding formulae that more accurately reflect the burden of disease?

Mr. Bradshaw: The hon. Gentleman's point about PCT top-slicing is out of date, and I do not see how he can claim that the Opposition are promising to match our funding when they have a £20 billion hole in their spending plans. He may not have noticed, but the Government have made major announcements on both cancer and stroke, and considerable new resources are being made available to help tackle some of the problems that he highlights. By any fair and objective measure, massive strides have been made in respect of both cancer and stroke in this country, but the Opposition have opposed some of the very important reorganisations that would help improve stroke care still further.

Severance Payments

3. **Mr. John Spellar** (Warley) (Lab): What his Department's policy is on severance payments in the NHS; and if he will make a statement. [174610]

The Secretary of State for Health (Alan Johnson): My Department's policy on severance payments in the NHS is that they should be made only in accordance with the contract held between employer and departing employee, and that they must comply with Treasury requirements and represent good value for the taxpayer. In addition, we are considering the practicalities of restricting notice periods for senior staff to a maximum of six months.

Mr. Spellar: I congratulate the Secretary of State on taking action against the disgracefully high payouts made to incompetent bureaucrats in the health service, but does not that reveal the further scandal that many of those who have received those payouts are able to slip into other highly paid jobs elsewhere in the NHS? Will my right hon. Friend consult with hon. Members of all parties to determine the extent to which that is happening, and put a stop to it?

Alan Johnson: My right hon. Friend raises a point that will be echoed by hon. Members around the Chamber. The hon. Member for Ilford, North (Mr. Scott) is not currently in his place, but I can tell the House that he has also been extremely helpful on these matters. We have to put an end to the culture that my right hon. Friend has described, not least because we must protect the integrity of those senior managers who never benefit from such payouts. Where a person's conduct has been unsatisfactory, we must ensure that he or she does not receive an inappropriate payment or receive a glowing reference that may lead to reappointment in a health trust somewhere else. That is another element of the guidance that we have issued.

Mr. John Horam (Orpington) (Con): I very much welcome what the Secretary of State has said. Is he aware that, in the past year, payments to 124 top-level managers averaged £308,000, or roughly two years' salary? Frankly, people who have done very badly in the private sector would never get two years' salary as severance pay. In my area, the Bromley PCT has an historic deficit of £89 million and a forecast operating deficit this year of £23 million. I therefore very much welcome what the right hon. Gentleman has announced in response to the right hon. Member for Warley (Mr. Spellar), and I hope that he will take the initiative further.

Alan Johnson: The hon. Gentleman raises an important point about the total amount of money that has been paid out, but we need to separate the inappropriate payments that we are discussing from redundancy payments—about which, incidentally, we have also issued advice and guidance. The vast majority of nurses and others are "Agenda for Change" staff, and the redundancy agreements that pay people with more than 24 years' service a maximum of two years' salary should also apply to senior managers. That is the statutory obligation for redundancy arrangements and it is covered by agreements, but senior managers should not get extra payments on top of that. We are looking to put an end to that practice as well, but the hon. Gentleman has raised another element of a matter that is causing concern right across the House.

David Taylor (North-West Leicestershire) (Lab/Co-op): Earlier this year, the University Hospitals of Leicester pathway project was scrapped after costs spiralled towards £1,000 million, and that led to the departure of its excellent chief executive, Dr. Peter Reading. Is it fair that the abortive costs of that project, which had been under way since 2000, should fall on the people of the city of Leicester and the county of Leicestershire? Does not the real fault lie with those who push private finance initiative projects, even though they are prohibitive in cost, flawed in concept and intolerable in consequence for the taxpayers, patients and clinicians of the United Kingdom?

Alan Johnson: I think my hon. Friend demonstrates a certain prejudice against PFI hospitals—*[Interruption.]* Obviously, I understate the point, although I do not blame him on the experience in Leicester, where there was a cost overrun and we are looking to reinvest that money in the health community. However, I doubt very much that we would have been able to instigate the biggest hospital rebuilding programme in the history of the NHS without the use of PFI, and I doubt very much that we would have seen so many new hospitals and excellent facilities across the country without PFI. That is not to diminish the serious problems that have occurred in Leicester, but they have not occurred everywhere.

Norman Lamb (North Norfolk) (LD): I wish the Secretary of State and his ministerial colleagues a happy Christmas. Over Christmas, will he look into the case that the hon. Member for North-West Leicestershire (David Taylor) has just raised? Peter Reading, the highly respected former chief executive of the University Hospitals of Leicester NHS trust, left his job, earning £170,000 a year, without working his six months' notice. He received a £700,000 pay-off and was replaced by an interim chief executive who has earned £100,000 in a three-month period, which included three weeks away in New Zealand. Does not such an experience stick in the throat of nurses, who have had a staged pay increase, and of patients who have seen cutbacks to services when trusts get into deficit?

Alan Johnson: I thank the hon. Gentleman for his kind wishes for Christmas. May I reciprocate? I believe Santa Claus is bringing him a new leader this Christmas. Next Christmas, the Liberal Democrats will probably get a new one again—lots of fun.

Mr. Stephen O'Brien (Eddisbury) (Con): And a new job.

Alan Johnson: It would be strange if I did not have another job by next Christmas.

The hon. Member for North Norfolk (Norman Lamb) introduces another element to the issue—the question of pension payments. My understanding is that a large chunk of the money received by the individual he mentioned was his pension entitlement, so in the overall question raised by my hon. Friend the Member for North-West Leicestershire (David Taylor) we have to keep things absolutely separate. There is a question about unjustified payments for failure—in essence, there is an issue about proper redundancy payments and there is an issue about pension entitlement. We do not seek to interfere in any way with pension entitlement, nor with redundancy payments where they apply to the norm. A nurse should receive exactly the same as a chief executive in terms of redundancy arrangements; what we want to stop are inappropriate extra payments, which my hon. Friend has raised constantly. There is no justification for them and indeed, in a recent high profile case, no Treasury clearance.

Social Care

5. **Ann Coffey** (Stockport) (Lab): Whether he plans to increase the funding available for the social care of the elderly. [174613]

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): Through the recent comprehensive spending review settlement, the Government have already committed an additional £2.6 billion by 2010-11 to local authorities that provide social care, with an additional £190 million for social care through Department of Health grants. Last week, we announced £520 million funding for councils to redesign and reshape their systems for social care.

Ann Coffey: I thank my hon. Friend for his reply and welcome the Secretary of State's announcement last week of cash for authorities such as Stockport to reform the way carers deliver to older people. Often, the frustration for older people and their carers is negotiating a way through the different funding streams and agencies that provide health, social care, community transport, leisure and benefits. Does my hon. Friend agree that funding streams need to be simplified if older people are to have real choice and control in accessing the services they need?

Mr. Lewis: I agree entirely, and I pay tribute to my hon. Friend's championing of social care over many years. It is absolutely true that we need to define the amount of money available in every local community in terms of health and well-being, not just the money spent through adult social services departments. We spend large amounts through local authority mainstream services and the area-based grant—we have announced the social care reform grant. We also spend resources through the local NHS and the voluntary sector. We must be much better at co-ordinating those resources to create a single health and well-being system that is easy to access for the people who need the services and for their family members.

Sir George Young (North-West Hampshire) (Con): But will the Minister not recognise that next year's local government settlement is enormously worrying for adult social services departments, and is he not concerned by the warnings that we are getting from directors of adult services that next year they will have to restrict services to either life-threatening or emergency conditions and cut back severely on preventive work?

Mr. Lewis: The right hon. Gentleman reinforces the need to recognise that there is a large amount of resource that goes through a variety of channels in local communities to support maximum independence for older people, disabled people and people with mental health problems. We need to ensure that we are making the best use of those resources. However, some very inconsistent decisions are being made at a local level. One local authority is spending £300,000 launching a TV station and increasing charges for domiciliary care to the same level. Other local authorities are able to cut council tax—in London, I am told, by 3 and 4 per cent. Of course there are genuine demographic challenges that we have to face in terms of a new funding system for social care in the long term. That is why the Government are committed to a Green Paper. But in the meantime we could do an awful lot to improve services for older people and disabled people by changing the way in which we provide those services.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I very much welcome the Government's proposals to give personal budgets to the elderly who need care, so that they can have a real choice about the type and nature of care that they receive. For many people that will be a really liberating experience, but some elderly people will feel a bit daunted by the prospect of having to manage the budgets. Some will have family who can help them, but will the others be offered advice and assistance that is independent of those who provide the care, so that people can make genuinely informed choices that will benefit them?

Mr. Lewis: My hon. Friend makes a really important point. It is a significant advance in public service reform to put maximum power and control in the hands of people who use services and their families, but that requires different levels of support, depending on the needs and circumstances of individuals and their family members. Some people will be able to exercise that control and choice over the use of personal budgets with little additional support. Other individuals will need a high level of support in order to make those choices and exercise that control. However, we should not hesitate to sign up to the notion that, as a starting point, everybody is entitled to self-determination and maximum control and choice. That is entirely consistent with the values of this party and this Government throughout their history.

Mr. Mark Harper (Forest of Dean) (Con): The Minister will know that a recent study by the Office for National Statistics showed that productivity in social care had been falling by 2.3 per cent. every year. The problem is that putting in more money will not get us very far if productivity is worsening. What is the Minister going to do to turn those figures around?

Mr. Lewis: There is a lot of objective evidence that the quality of provision of social care is going up year on year. The announcement that we made last week—which was unprecedented in the sense that it was cross-Government and involved partnership with local government, co-producing public service reform—is about our ability to transform the social care system significantly within existing resources. We want quality information, advice and advocacy for all, including self-funders, and we want a shift to early intervention and prevention. What is crucial is world-class commissioning that incentivises and rewards high-quality provision, but is punitive in relation to care homes and providers that do not offer people quality services.

Mr. Stephen O'Brien (Eddisbury) (Con): Need I even mention the utter nonsense that demographics and falling social care productivity make of the Government's social care funding announcements? It would be a welcome surprise to end the year without another rant from the Under-Secretary of State for Health, the hon. Member for Bury, South (Mr. Lewis), but let us see. Does he recall that, 18 months ago, his predecessor started a review of social care funding? However, the Government have published nothing. Will he share the findings of the review with the House, in the interests of his much-vaunted consensus, or will he admit that the review and next year's Green Paper are thinly disguised attempts by the Government to kick the issue into the longest grass that they can find and to cover up his failure to persuade the Prime Minister to make a decision on social care funding and to protect home ownership?

Mr. Lewis: May I also wish the hon. Gentleman a merry Christmas?

Actually, for the first time we have a very clear route map towards improving the system in this country for older people, disabled people and carers. We have a commitment to a long-term process with a Green Paper. We must respond to not only demographics, but the rising expectations of people who need social care services. We have a transformation programme, which will begin over the next three years, that will involve a radical transformation of services, shifting to early intervention and prevention and putting personal budgets at the heart of a system that gives people far more control over, and choice about, the care that is provided. In spring next year, the Prime Minister will announce a new deal for carers in recognition of the fact that increasing numbers of families are caring for older relatives and children with disabilities. We face the whole question of young carers and, with regard to older people, dementia.

Those are some of the big challenges that face our society. I have not heard one policy solution from the Conservative party. I urge Conservative Members to join a political—

Mr. Speaker: Order.

Prescription Drugs (Misuse)

6. **John Mann** (Bassetlaw) (Lab): What research he has commissioned on misuse of prescription drugs. [174614]

The Minister of State, Department of Health (Dawn Primarolo): The Medicines and Healthcare products Regulatory Agency continuously monitors the safety of all medicines in the UK, including concerns about misuse, and takes suitable action to safeguard public health when necessary.

John Mann: This is a huge and growing problem in this country and across the western world. Should not the Government be commissioning additional research to find out precisely how prescription drugs are being misused and the extent of the misuse? Is it not worth considering whether the National Treatment Agency for Substance Misuse should have its remit expanded to include the misuse of prescription drugs?

Dawn Primarolo: May I reassure my hon. Friend that there are several checks on the prescribing and use of drugs? That occurs through the MHRA, the yellow card scheme that monitors drug safety, and the periodic safety update reports that come from pharmaceutical companies when they have a legal obligation to submit them. In addition, the Government have more than 1,200 prescribing advisers in England and Wales who are working with GPs on specific issues to do with safe prescribing. Given the protocols for systems of prescribing, primary care trusts can now engage with GPs through the prescribing advisers, if necessary, when repeat prescriptions are being used. I assure my hon. Friend that the national treatment agency follows these issues very closely. When action is required, it is taken.

Peter Luff (Mid-Worcestershire) (Con): Is not the research into prescription drugs that is really needed research on the heartbreaking decisions facing many women with life-threatening cancers for whom drugs are available, but not as prescription drugs? As a result, they are forced to settle for a health service that will not make them well, or a private health system that they cannot afford.

Mr. Speaker: Order. The hon. Gentleman is rather wide of the question that has been put.

Miss Anne Begg (Aberdeen, South) (Lab): One of the drugs that has fallen foul of the MHRA because of its misuse is Co-proxamol. I thank my right hon. Friend for meeting me and a small delegation last week to discuss the drug. As a result of the drug's misuse—it has been used in suicides—it will be withdrawn from general use at the end of the year. However, there is a small group of people for whom Co-proxamol is a good drug that works effectively. Will my right hon. Friend reiterate that the drug will continue to be available beyond the end of the year on a named-patient basis? Will she ensure that the supply of the drug will continue for that small group of people?

Dawn Primarolo: As my hon. Friend will know, 300 to 400 fatalities a year result from the misuse of Co-proxamol. It accounts for a fifth of all drug-related suicides. I confirm that prescriptions on a named-patient basis will continue to be available beyond the end of the year. I assure her that I listened carefully to the points that she and others in the delegation raised and that I am taking them forward.

Primary Care

7. **Sarah McCarthy-Fry** (Portsmouth, North) (Lab/Co-op): What plans he has to improve primary care services in areas of greatest health need. [174616]

The Minister of State, Department of Health (Mr. Ben Bradshaw): Last week, we announced that local health services, which have a statutory duty to address health inequalities, would receive a 5.5 per cent. increase in their funding for next year. We also recently announced a £250 million investment in new general practitioner practices in the most disadvantaged areas. I am pleased to announce that we have today approved the latest tranche of new NHS community hospitals, worth £132 million. It includes a £17 million scheme in Portsmouth, which will further improve primary care services in my hon. Friend's constituency.

Sarah McCarthy-Fry: I thank my hon. Friend for that response. He will know of the severe deprivation in parts of my constituency, with the health consequences of high levels of obesity, heart disease and cancer. For some time, I have asked for that to be recognised through increased funding, so I greatly welcome the £17 million for community health facilities at St. Mary's hospital, which serves my constituency. Does my hon. Friend agree that putting money into such community facilities means that we can do primary care outreach work in the wider community, and particularly in people's homes?

Mr. Bradshaw: Absolutely, and I congratulate my hon. Friend on campaigning so hard, ultimately successfully, for the new community hospital at St. Mary's. It will provide some of the services that she advocates—more services in people's homes, more preventive work, and more public health work to help to address the serious inequalities that exist everywhere in the country, and not just in those primary care trusts that face the most serious challenges.

Dr. John Pugh (Southport) (LD): One of the greatest needs in my constituency is an urgent care centre for children; a town of 70,000 needs such a facility. What can be done to oblige a primary care trust to commission one?

Mr. Bradshaw: It is not good enough for the Liberal Democrats to pretend to be a party that advocates local decision making, but to come to the House with such a question. The simple answer is that it is the hon. Gentleman's PCT's job to commission services on behalf of his constituents. The Liberal Democrats cannot constantly bleat about—

Bob Russell (Colchester) (LD): Oh, yes, we can.

Mr. Bradshaw: Exactly. Yes, the hon. Member for Southport (Dr. Pugh) can—and he does, but it is not sustainable. It is completely hypocritical and he needs to go and sort out his PCT.

Mr. Speaker: Order. The hon. Gentleman should withdraw.

Mr. Bradshaw: I beg your pardon, Mr. Speaker; I should say that what the hon. Gentleman says is contradictory to "Focus" leaflets.

Mr. Speaker: Order. The hon. Gentleman should withdraw his remark. It gave the impression that he was speaking about the hon. Member for Southport (Dr. Pugh).

Mr. Bradshaw: I beg the hon. Gentleman's pardon. I withdraw the remark.

Mr. Speaker: The hon. Member for Southport is a very quiet Member; he does not bleat all that often.

Joan Ryan (Enfield, North) (Lab): My hon. Friend the Minister will know that Professor Sir George Alberti identified the need for improved primary care services in my constituency. He might also know that Barnet, Enfield and Haringey clinical strategy board has now reported its findings on the proposed hospital reconfiguration. At present, we have a commitment to a local accident and emergency service being provided for only 12 hours a day at Chase Farm hospital. I am concerned about that, and I ask my hon. Friend to undertake that no changes will occur in Barnet, Enfield and Haringey, and particularly at Chase Farm hospital, until the independent reconfiguration panel has had the chance to review all the clinical evidence, and until the primary care services that need to be improved are improved.

Mr. Bradshaw: I am well aware of the concerns that my hon. Friend raises, because she has raised them with me on a number of occasions. She has been fighting hard on behalf of her constituents on the issue of services provided at Chase Farm. My understanding is that a formal consultation is under way, and if the local overview and scrutiny committees remain unhappy with the proposals, it is perfectly open to them to refer the proposals to the independent reconfiguration panel. My right hon. Friend the Secretary of State has made it clear that he will not interfere in that process. The recommendation will be made by the independent reconfiguration panel, once it has analysed the clinical evidence provided. That is the assurance that I can give, and I will certainly keep a close eye on developments in north-east London.

Sir Michael Spicer (West Worcestershire) (Con): As one of those who has today been given a £19 million new hospital in my constituency at Malvern, it would be churlish of me not to wish the Minister a happy Christmas.

Mr. Bradshaw: I wish the hon. Gentleman a happy Christmas, too. I am delighted that it was a Labour Government who delivered the hospital.

Mr. Neil Turner (Wigan) (Lab): My hon. Friend will be aware of Labour Members' intense disappointment that he has not taken recent opportunities to further his stated aim of reducing health inequalities by reducing health funding inequalities. Does he really believe that the formula funding revisions will eliminate the problem whereby some PCTs are over-provided for by £30 million, £40 million, or even up to £50 million?

Mr. Bradshaw: If my hon. Friend was present for an earlier exchange—I am sure he was—he will know that I pointed out the huge narrowing of the gap between trusts that were way below their fair funding formula target. That gap has gone from up to 22-plus per cent. just three years ago to a maximum of 3.5 per cent., with one exception. I hope that the process will continue when the Advisory Committee on Resource Allocation—ACRA—finally reports. However, I would not want to pre-empt ACRA's work. That is why we have an independent body that makes recommendations on funding. As I said earlier, there has been some delay because ACRA wanted to take care to ensure that it addressed the health inequalities raised by my hon. Friend before making its final recommendations to Ministers.

NHS Dentistry

8. **Mr. Andrew Robathan** (Blaby) (Con): If he will make a statement on levels of access to NHS dentistry in Leicestershire and England. [174617]

The Parliamentary Under-Secretary of State for Health (Ann Keen): The most recent access data for the two-year period ending 30 June 2007 show that 27.9 million people in England and 365,000 people in Leicestershire County and Rutland primary care trust accessed NHS dental services at least once during that period. We have made it a priority for the NHS to deliver year-on-year increases in the numbers of patients receiving NHS dental services.

Mr. Robathan: That might be how many people attended, but the same figures will tell the Minister that since the implementation of the new dental contract, more than 250,000 fewer patients in England and 13,500 fewer in Leicestershire and Leicester city have attended a dentist. Some 85 per cent. of dentists consider that the new contract has not improved access to dental care and believe that there is a crisis in dentistry in this country. Does the Minister believe that the new contract has been a success?

Ann Keen: The new contract is a success. Many reports contradict what the hon. Gentleman says. Our children have the best oral health in Europe. The contract is working well and I praise the dentists who have worked so consistently with their primary care trusts. Commissioning is well under way. We have made dental care a priority in the operating framework. I hope that all Members in the House will work together to see how well our dental services are going in this country compared with others in Europe. We are making great strides and progress.

Mr. Lindsay Hoyle (Chorley) (Lab): Will my hon. Friend ensure that Central Lancashire primary care trust spends the money it has in the bank on the provision of NHS dentistry? The waiting lists grow longer, but the money remains in the bank. Will she see what she can do through her good offices to ensure that the money is spent urgently in Chorley on NHS dentistry?

Ann Keen: We will work with the PCT, because the money is ring-fenced, in particular until 2009. We will look at the PCT's commissioning process and see how we can help.

Mr. Christopher Chope (Christchurch) (Con): Why is co-payment for NHS dentistry allowed while co-payment for vital life-saving cancer treatment is prohibited?

Ann Keen: Under all Governments, co-payments for different treatments have not been in place. Dental treatment is different from any other treatment, and the new contract shows that. We are working well with commissioning to deal with that. Dental treatment in this country has never been the same as other treatments in the NHS.

Mr. Gordon Prentice (Pendle) (Lab): I wrote to my friend recently about the marvellous new dental school that has opened in Preston. My concern is that the number of students is artificially capped at 32, when it can take 100. My friend replied by telling me that there is a steady stream of dentists coming from Poland and India. Is it not much better for us to grow our own dentists and ensure that the dental school operates at full capacity?

Ann Keen: There is no shortage of dental students. We are working to get a full dental service in place, and all dental schools are performing well in enrolling dental students. I am happy to reconsider the subject of my hon. Friend's comments, but we are looking at a comprehensive service for dentistry, and that is what our students look forward to delivering.

Liver Disease

9. **Mr. Bob Laxton** (Derby, North) (Lab): What steps his Department is taking to reduce the prevalence of liver disease. [174618]

The Minister of State, Department of Health (Dawn Primarolo): The Government are concerned about the increasing incidence of and mortality from liver disease. We are already taking action on a number of fronts to combat the primary causes of liver disease—alcohol misuse, viral hepatitis and obesity. In addition, we are investigating the possibility of developing a strategy for liver disease, which would cover health promotion as well as the full range of health services.

Mr. Laxton: I thank my right hon. Friend for that answer. In 2000, liver disease killed more men than Parkinson's disease and more women than cancer of the cervix. The death rate from alcoholic liver disease has doubled in the past 10 years, and one person in 25—4 per cent. of the population—have tested positive for abnormal liver function. Is it not time that we had a proper screening programme for liver diseases such as hepatitis B and C? It might be expensive to introduce, but I believe that it would be considerably more cost-effective than doing nothing and then having to pick up the resulting cost of the medical intervention required to deal with cancer of the liver.

Dawn Primarolo: As my hon. Friend rightly points out, liver disease is the fifth most common cause of death in England, yet it is almost entirely preventable.

On screening for hepatitis B and C, he will be aware that the Government's approach involves targeting support specifically on those who are at the highest risk, but we keep under active consideration the question of whether further steps need to be taken, including screening.

Anne Milton (Guildford) (Con): Between 1997 and 2001, alcoholic liver disease went up by 46 per cent., and in the past year by a massive two and a half times—that is, 244 per cent. What will the Minister do to ensure that the Government recognise not only the extent of the problem but the research—such as that carried out in Bath—which shows that anti-drinking advertising can be catastrophic, to ensure that their strategy actually stops this massive increase in alcohol-related liver disease?

Dawn Primarolo: The Government's "Safe, sensible, social" campaign to encourage people to drink responsibly has been very effective. The hon. Lady rightly identifies the growing pressures resulting from alcohol-related liver disease. The Government are awaiting further reports and an overview from Professor Ian Gilmore's group, and a final report from the rapid evidence review undertaken by a team at Newcastle university, in order to look at the full range of causes of liver disease, including alcohol, and at what further steps need to be taken.

Topical Questions

T1. [174598] **Robert Neill** (Bromley and Chislehurst) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Alan Johnson): The responsibilities of my Department embrace the whole range of NHS social care, mental health and public health service delivery, all of which are equally important.

Robert Neill: Is the Secretary of State aware that his Department's Christmas present to the people of Chislehurst and Sidcup is to take away the delivery of full A and E and maternity services from Queen Mary's hospital? Given that that is the only site of four in south-east London that is not subject to a private finance initiative contract, how is he going to assuage their fear that the real purpose is to sell it off to bail out the debts of other trusts? Will he include in the public consultation any proposal to dispose of all or part of the site, so that people can make known their views on any such option?

Alan Johnson: There will be a local consultation. This is not being driven from Richmond house in Whitehall; it is being driven by local clinicians. It has to be clinically led. If the proposals are referred to me by the overview and scrutiny committee, I will refer them to the independent reconfiguration panel, which is clinically led, and I can think of no circumstances in which I would not accept its recommendations.

T2. [174599] **Mr. Andrew Robathan** (Blaby) (Con): The hon. Members for North-West Leicestershire (David Taylor) and for North Norfolk (Norman Lamb) mentioned the pathway project, and the large amount of public money that has been spent on the honourable resignation of the respected chief executive of the University Hospitals of Leicester NHS Trust. However, no one has mentioned the £25 million of public money that has been wasted on consultants' fees, or the fact that there is £2 billion of unspent capital provision in last year's budget. Why did the Government allow the pathway project in Leicester to be abandoned? My constituents do not have the provision of good hospitals that they were promised.

The Secretary of State for Health (Alan Johnson): The Government did not allow the pathway project to continue: we stopped it, which was a difficult decision to make. I recognised that it was a problem in an earlier answer to my hon. Friend the Member for North-West Leicestershire (David Taylor). It is not indicative or representative of PFIs across the country, but when we saw how much public money was being—

Mr. Stephen O'Brien (Eddisbury) (Con): Wasted.

Alan Johnson: "Squandered" might be a better word. When we saw that, it was time to stop it. My ministerial colleague has consulted all the MPs involved and the trusts to ensure that we recover and move on. The hon. Gentleman will, I am sure, accept that it was right to stop it rather than continue with poor PFI provision, which would probably have been the easiest option.

Mr. John Grogan (Selby) (Lab): May I congratulate all those involved in the local health service and the local councils in the successful bid announced today to the community hospital fund for the rebuilding of the Selby war memorial hospital—truly the Christmas present that all of Selby was waiting for?

Alan Johnson: I am sure that the people of Selby are dancing in the streets as we speak. I am also sure that they will pay tribute to my hon. Friend who has been a tireless campaigner for establishing the community hospital in Selby. I hope that it will be called the John Grogan memorial hospital!

T3. [174600] **Mr. Alan Beith** (Berwick-upon-Tweed) (LD): Will the Secretary of State remind Northumberland primary care trust of the importance he attaches to rural-proofing, given that the trust is proposing £1.6 million of cuts in general practice budgets in a very rural area where economies of scale are not possible on any significant level in practices where branch surgeries have to be maintained, and where practices have a record of providing treatments that are elsewhere provided in hospitals?

The Secretary of State for Health (Alan Johnson): The right hon. Gentleman's local trust has to take account of the needs of rural communities. I would suggest, however, that with an 18.8 per cent. increase in funding over the last two years alone, whatever the problems of providing rural-proofing—I do not know the details, so perhaps the right hon. Gentleman would like to write to us—lack of funding cannot be one of them.

T4. [174601] **Barbara Keeley** (Worsley) (Lab): The £500 million extra funding in the social care reform grant announced last week as part of the personalised adult social care arrangements is very welcome, but will not only new applicants but those already receiving social care be able to benefit from personalised care? What advice and support will be available to help them make their choices?

The Secretary of State for Health (Alan Johnson): I can reassure my hon. Friend that those already in receipt of social care will qualify for payments from the social care grant—and £520 million is, of course, ring-fenced. Before we begin the process, we need to consult local authorities. The Local Government Association was one of the 12 organisations—six Government Departments were also among the number—that signed up to the concordat. We have to ensure that the money is accessed properly. There is also an element of advice and guidance to it, not just for people who receive social care, but for self-funders who sometimes find getting good-quality advice and guidance very difficult. Taken together, all this will mean a transformation of adult social care for present users as well as for those coming into the system in the future.

Mr. Andrew Lansley (South Cambridgeshire) (Con): Last financial year, Britain reclaimed £38 million from other EU member states for treatment provided to their residents in this country, but we paid out £526 million to other member states. Will the Secretary of State explain that vast disparity?

Alan Johnson: The vast disparity is based on the fact that British residents abroad needed more health treatment than overseas residents from Europe needed in this country.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): What about Spain?

Alan Johnson: My hon. Friend mentions Spain. We are thinking of supplying the winter fuel allowance in air miles this year, which might be simpler for those who like to spend their winters abroad. There is an issue about the disparity with the rest of Europe, but the far more interesting question—I am sure that the hon. Member for South Cambridgeshire (Mr. Lansley) will want to follow this up—is how we deal with the matter under the European directive that is currently being mooted. That will have some serious ramifications, so we will need to keep a close eye on it.

Mr. Lansley: I am interested in that. The Secretary of State is right. Surely the real question is the extent to which additional UK residents will be seeking treatment abroad, so will he say whether he will support or oppose the draft directive to be published by the Commission tomorrow, or is he frightened that, in addition to the £490 million extra that we already pay for British residents abroad or visiting other EU member states, many more will choose EU continental European health care in hospitals that perhaps have lower infection rates or lower waiting lists? Are the Government going to support choice for patients or oppose it?

Alan Johnson: The hon. Gentleman was doing well until the last bit. A couple of weeks ago, one of the Sunday newspapers took three pages to say that 70,000 people in this country had sought treatment abroad, when we treat 1 million people every 36 hours in the NHS. When one delved into the article, one found that those 70,000 wanted cosmetic surgery or cosmetic dental surgery that could not be provided in this country. It was portrayed as though people were, in the words of the hon. Gentleman, going abroad to escape long waiting times and get cleaner hospitals.

However, the start of the hon. Gentleman's point was absolutely right. We have to consider the directive carefully. I have not seen its terms yet—it is not published until tomorrow—but I have made it clear to Commissioner Kyprianou, as has the Minister of State, my right hon. Friend the Member for Bristol, South (Dawn Primarolo), that we must maintain the crucial principle that clinicians will decide what treatment to give in this country. We need to ensure that the principles that have guided the system for many years are not sacrificed to something that might seem like a good idea for a European directive, but which reduces patient choice in the long run.

T6. [174603] **Mr. David Chaytor** (Bury, North) (Lab): Has my right hon. Friend seen the article published this week in the *International Journal of STD and AIDS* by researchers from Southampton university and others, which suggests an enormously strong link between the rapid growth of binge drinking and the continuing growth of sexually transmitted diseases? The authors recommend as one solution adopting a different approach to the provision of condoms—that is, providing them free in pubs, clubs and taxis. What is my right hon. Friend's view of that, and does she think that it might have a role to play in reducing the—

Mr. Speaker: Order. One supplementary is fine.

The Minister of State, Department of Health (Dawn Primarolo): I have seen the reports of the research on the links between unsafe sex and binge drinking. In addition to the Government's strategy on sexual health and tackling binge drinking, we will need to reflect on the main points carefully. I should remind my hon. Friend and the House that campaigns are under way for the Christmas season as well, to ensure that people understand the necessity of taking care and of taking precautions, to help reduce sexually transmitted infections.

T5. [174602] **Mr. Desmond Swayne** (New Forest, West) (Con): May I take the Secretary of State back to the first answer that he gave to my hon. Friend the Member for South Cambridgeshire (Mr. Lansley)? It is undoubtedly the case that there are very large numbers of EU migrants in this country making significant use of the NHS, particularly maternity services. Is the Secretary of State sure that we are being as rigorous as we ought in seeking payments from those foreign Governments?

The Secretary of State for Health (Alan Johnson): Yes, I am sure that we are being rigorous in receiving payments from those overseas countries, just as I am sure that those migrants are making a contribution to the British economy. The issue is about more and more people from the UK choosing to spend their retirement or pre-retirement living in other European Union countries, which is an important facet of being a member of the EU. That interchange and that freedom for people to live anywhere in the EU is important. What we must not do is worsen the provision of health care as part of the directive. The foundations are sound, but we must ensure that we do not go backwards.

T7. [174605] **Mr. Lindsay Hoyle** (Chorley) (Lab): Would one of my right hon. or hon. Friends like to congratulate Dennis Benson, who is stepping down as chair of Lancashire Teaching Hospitals NHS Foundation Trust, on having set up the first and only computed axial tomography centre operating out of Chorley hospital that is funded by the NHS, run by the NHS and for people of the NHS, and on what a success story this will be?

The Secretary of State for Health (Alan Johnson): I am very happy to congratulate Dennis Benson. That will be a big surprise to him as we have never met, but I hope that having enshrined his name for posterity I can eventually have a cup of tea with him.

T8. [174606] **Mr. Nigel Evans** (Ribble Valley) (Con): The Secretary of State says that he reads the Sunday papers, so he will have read about Colette Mills, the lady who has cancer, is having treatment on the NHS and wants to top it up but has been told that if she does so she must pay for the entire NHS treatment. Surely that cannot be right. Will the Secretary of State reconsider this issue? If people wish to have add-on drugs to top up their treatment, they should not be denied that opportunity and should have to pay only for the add-on drugs.

The Secretary of State for Health (Alan Johnson): This is precisely why topical questions are useful; the hon. Gentleman hits upon one that two or three Members have tried to ask previously, with varying degrees of success. I will be very surprised if Opposition Front Benchers feel differently about this matter. A founding principle of the NHS enshrined in every single code of practice—most recently the 2003 code of practice—is that someone is either a private patient or an NHS patient. They can be a private patient and decide to resume their treatment as an NHS patient, but they cannot, in one episode of treatment, be treated on the NHS and then allowed, as part of the same episode and the same treatment, to pay money for more drugs. That way lies the end of the founding principles of the NHS. I realise that this is in the news at the moment, and I understand why the hon. Gentleman, who has a constituent in this situation, wants to raise it. However, we need to think very carefully about any suggestion of moving from that principle. That was not done under any previous Government, and it would make nonsense not only of the founding principles of the NHS but of the 10 core principles of the NHS plan of 2000, which the Opposition signed up to and are as vigorously in favour of as we are. We should ensure that we look at this very carefully before suggesting any changes.

T9. [174607] **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): In Milton Keynes over the past five years age-related cancer mortality rates have fallen faster than the national average. Does my right hon. Friend ascribe that to the measures that are being taken to speed the patient pathway from initially being seen to treatment or to the successful preventive health programme that has reduced the level of smoking?

The Parliamentary Under-Secretary of State for Health (Ann Keen): I thank my hon. Friend for that remark. Falls in cancer rates and the success of cancer treatments are due to a package of measures that the Government and the House have supported, particularly the smoke-free programme and other areas of care in relation to diet. Professor Mike Richards and his team in the Department have led this brilliant cancer plan, which is supported by all the stakeholders and cancer charities, and they will continue their work with the example of Milton Keynes at the forefront of their minds.

Mr. John Leech (Manchester, Withington) (LD): Will the Secretary of State take note of the recent findings of the north-west cancer intelligence service at Christie hospital, which found that men are 8.5 per cent. and women 6.7 per cent. more likely to die from cancer in the north-west than in the rest of the country, and will he ensure that the necessary funding is put in place to deal with those health inequalities?

The Secretary of State for Health (Alan Johnson): We will take account of that analysis and research. There are enormous disparities. The starkest statistic is that a man living in Manchester is likely to die seven years earlier than a man of exactly similar circumstances living in Kensington and Chelsea. If one gets on the Jubilee line at Westminster and travels eight stops to Canning Town, one's life expectancy goes down by one year every stop. That is nothing to do with the underground system—it is to do with health inequalities, which we must tackle. That is why in the new year we will publish our strategy on how to move even faster in closing those inequalities.

Climate Change Negotiations (Bali)

12.33 pm

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): With permission, Mr. Speaker, I would like to make a statement on last week's international climate change negotiations in Indonesia.

The Minister for the Environment and I attended the 13th conference of the parties to the United Nations framework convention on climate change and the third meeting of the parties to the Kyoto protocol, in Bali. After intensive, and at times difficult, talks we reached an historic agreement in which for the first time all the countries of the world agreed to start negotiations on a new climate deal for implementation after the Kyoto protocol's first commitment period ends in 2012. These negotiations will begin next year and will be concluded in Copenhagen in 2009.

The Bali action plan represents the most significant collective agreement to protect the world from dangerous climate change since the Kyoto protocol was signed exactly 10 years ago. It recognises the need for deep cuts in global emissions as set out in the fourth assessment report of the intergovernmental panel on climate change. In addition, in the ad hoc working group—or AWG—on further commitments for annexe 1 parties under the Kyoto protocol, which forms part of what we agreed, we recognised the need for global emissions to be reduced by at least 50 per cent. by 2050 compared with 1990 levels, and for developed countries to reduce their emissions by 25 to 40 per cent. by 2020.

The Bali action plan commits developed and developing countries over the next two years to negotiate a long-term global goal for emission reductions, and to agree measurable, reportable and verifiable national and international action to mitigate climate change by all countries, including commitments to emission limitation and reduction objectives by developed countries. The action plan will bear in mind the different national economic and social circumstances of developed and developing countries, in line with the United Nations framework convention on climate change—or UNFCCC—principle of common but differentiated responsibilities and respective capabilities. Negotiations will take place in an ad hoc working group on long-term co-operative action under the convention and four meetings will take place next year.

In addition to the action plan, Bali resulted in some significant breakthroughs on technology transfer, deforestation, adaptation and carbon markets, which will begin almost immediately. On technology, there was agreement on an ambitious work programme covering both mitigation and adaptation. A UNFCCC expert group will examine ways and means of speeding up technology development and transfer, and its funding.

On deforestation, which, as the House will be aware, is responsible for about 20 per cent. of global emissions, the agreement in Bali will pave the way for incentives to reduce those emissions, and those will cover both wholesale deforestation and more gradual damage. The agreement will set the rules for projects that can be piloted to common UN-approved guidelines, so that what is learned can feed into a future climate framework. I announced a UK contribution of £15 million to the World Bank forest carbon partnership facility, which will assist countries to try out that new approach.

A decision was also reached on the governance of the adaptation fund, which will support developing countries to adapt to the climate change that is already inevitable. That will be funded by a 2 per cent. levy on the clean development mechanism.

On carbon markets, it was agreed to abolish registration fees and levies on clean development mechanism projects in the least developed countries, and to approve the use of non-renewable biomass CDM, which means that projects such as encouraging small cooking stoves will now be possible through the CDM. Changes were also agreed to improve the way in which the CDM and the CDM board function, and the UK announced the Africa Springboard project, in which we will work with 10 UK financial institutions to try to increase the number of CDM projects in Africa.

The success of the Bali conference was, I think, made both possible and necessary by the compelling clarity of the science contained in the recent intergovernmental panel on climate change report, by the strength of the economic case for urgent action set out in Nick Stern's findings, and by the way in which our changing climate is changing our politics. I pay particular tribute to the leadership of the UN Secretary-General Ban Ki-moon, to the President and Government of Indonesia, to Portugal as the EU presidency, and to the recognition by every delegation that we could not let the next generation down. I also personally thank officials from across the UK Government and from the embassy in Jakarta for their extraordinary knowledge, dedication and commitment.

This agreement represents a successful outcome to extensive lobbying by the UK and the EU over the past 12 months, building on the results of G8 summits and other meetings. It very much reflects the elements of a future framework agreed by EU Heads of Government earlier this year. The hardest stage, however, begins now, and we will of course play our full part over the next two years in seeking to reach a global climate deal that will take us beyond 2012. However, without what has been agreed in Bali, there would be no negotiations and no possibility of a deal. That is the real significance of what the world resolved to do in Bali last week.

Mr. Peter Ainsworth (East Surrey) (Con): I welcome the Secretary of State's statement and thank him for it. I join him in paying tribute to Ban Ki-moon and the others involved in what appeared to be at some times tortuous and emotional negotiations.

The outcome of the Bali conference represents progress on the part of the global community, but does the Secretary of State agree that the absence of binding targets is a significant weakness? Despite the huge amount of work that went into creating an agreement, it is not quite the Christmas present for which the world hoped. On reflection, does he not think that to call the agreement historic is a little premature? What really matters now is progress on the negotiations leading up to the 2009 conference in Copenhagen. Vital decisions have effectively been deferred.

It is very good news that the United States, China and India have jointly signed up to an undertaking to work towards a new global climate accord, but does he agree that much greater political leadership is required, from the United States in particular, for the next round of talks to produce a truly historic outcome, an

[Mr. Peter Ainsworth]

outcome that puts real weight behind global efforts both to mitigate the future impacts of climate change and to help those already affected?

None the less, we welcome the agreement to help developing countries with funds to meet the challenges of adaptation. Rises in global temperatures are already having an effect on some of the world's most disadvantaged people, in the form of increased risk of flood, drought and food shortages. We also welcome the agreement to review how developed countries can share clean low-carbon technologies with the developing world. In particular, I welcome the agreement to tackle the problem of deforestation. It is vital to put a realistic value on the environmental services provided by the rainforests. I appreciate that this will not be an easy process, but it is perhaps the most essential one of all.

I am sure that the right hon. Gentleman will want to take this opportunity to respond to reports that the United Kingdom helped the US to remove binding targets from the main text of the agreement. Did the actions of the Government deviate in any way from the EU position, which was to seek agreement on emissions cuts on the part of developed countries of 25 to 40 per cent. by 2020? Can he comment on the difficulties he faces in international negotiations on climate change when the UK's own carbon emissions have risen in four of the last seven years? Will he join us in working to develop a decentralised approach to energy with the capacity to reduce our domestic carbon emissions? Will he join us in seeking to strengthen the Climate Change Bill to ensure greater transparency and accountability?

Will the Secretary of State confirm that the United Kingdom attempted, without success, to get aviation included in the Bali mandate? Does that not confirm the Government's awareness of the contribution of aviation to climate change? How does he square this with the Department for Transport's plans for a massive increase in aviation capacity?

Is the Secretary of State aware of the comments of Dr. James Hansen, Director of the NASA Goddard Institute in New York, concerning the United Kingdom's proposals to press ahead with a new generation of coal-fired power stations without carbon capture and storage? If we go down that path, will not the benefits of carbon reduction measures taken elsewhere be negated, and the Government's rhetoric on climate change dissolve, as it has so often before, into a lot of hot air?

Will the Secretary of State assure the House that he will work closely with other Departments, especially the Department for Business, Enterprise and Regulatory Reform and the Department for Transport, to achieve the genuinely joined-up approach that is so badly needed if we are to play an effective and honourable role in rising to the greatest challenge facing this generation?

Hilary Benn: I am grateful to the hon. Gentleman for what he has said, and for his welcome for what was agreed in Bali. Of course we will need binding commitments, which is why the UK has made them, as have a number of other countries. It is inconceivable that we will deal with this problem if the largest economy in the world does not come on board. The politics is changing, including in the United States of America, as the hon. Gentleman knows: we can look at what is happening in California and Florida, and in the east coast states which will introduce an emissions trading scheme for the power sector next year, and at the Bill that has been before Congress. Different countries are at different stages of understanding and commitment on climate change. The significance of this agreement—this is why I stick with my description of it as historic—is that for the very first time every country in the world, including the United States of America, has signed up to a negotiation that recognises in its overarching document the need for deep cuts in emissions.

On deforestation, the hon. Gentleman is right to say that the incentives must be changed. The forest carbon partnership facility will help to pilot ways of counting, verifying and reporting what the baseline is for the state of forestation, which will make it possible to record whether the rate of deforestation has been reduced so that we can then allow the carbon market to support that.

I can look the hon. Gentleman in the eye and say that there is no truth whatever in the suggestion made in one newspaper. I am sure that he did not really think that there was. The House will be shocked to learn that not everything that is reported in our newspapers is necessarily true. We stuck four-square with the EU position on that, and he will see a reference to the 25 to 40 per cent. figure in the AWG report.

We will indeed have to change the way we produce our energy. The announcement made by my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform on renewables offers a good example of that. I look forward to working with everybody concerned as we discuss the Climate Change Bill, to make sure that it is as effective as possible.

It is true that we were unable to make progress on including aviation in the Bali discussions, and I simply say to the House that we will have to return to that. However, on Thursday of this week we will discuss the inclusion of aviation in the EU emissions trading scheme. As the hon. Gentleman will be aware, the UK has been in the forefront in Europe in pressing for that, and for the earliest possible start date—I do not know what we will get as a result of that discussion—and for the baseline for emissions to be the 2004-06 level, which means that any further growth in emissions must be either constrained within the aviation sector or offset by emission reductions elsewhere. That is why inclusion in the ETS is so important.

The hon. Gentleman is right about carbon capture and storage, and the generation of power by coal. China is building one coal-fired power station a week. That is why steps such as the investment we are making in a post-combustion pilot project here in the UK, the EU NZEC—near-zero emissions from coal—project that we are supporting in China, and our willingness to work with the Government of India on carbon capture and storage, are so important, because if we cannot perfect this technology and apply it, retrofitting it to existing plants and building it into new plants, we will have little prospect of meeting the targets that the world will have to set as a result of this negotiation.

In conclusion, let me say that I genuinely look forward to working with all Members in this House and all Governments around the world as we take forward the agreement that we reached in Bali this week and get on with the tough task ahead. I acknowledge what the hon.

Gentleman said about it being a tough task, but at least we now have a means of achieving that deal, which we did not have a week ago.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): As my right hon. Friend said, shipping and aviation emissions account for a growing share of the total carbon emissions in our atmosphere, and the EU trading scheme, although welcome, accounts for a relatively small proportion of that global share. In light of the failure to make progress on this issue at Bali, will my right hon. Friend say what he sees as the next steps towards ensuring that aviation bears the full economic cost of its environmental impact?

Hilary Benn: The best next step is, indeed, its inclusion in the EU ETS, because that will impact both on airlines from within Europe and those that choose to fly into Europe. Ideally, we would want the International Civil Aviation Organisation to take the lead, but I have to say that, as Members who follow this matter carefully will be aware, so far ICAO has failed miserably to face up to the task. For that reason, leadership from Europe is important. Just as Europe gave terrific leadership in the Bali talks—for which I pay particular tribute to Humberto Rosa, the climate change Minister from Portugal, who did an outstanding job—the strength of a common European position by being committed to Europe and using its voice to provide leadership to the world is fundamental if we are to make progress. I very much hope that when we meet on Thursday, we can take a significant step forward in getting aviation where it should be—inside the emissions trading scheme.

Martin Horwood (Cheltenham) (LD): I thank the Secretary of State for advance notice of his statement. The Bali conference was an opportunity for the much-maligned politicians of the world to give the planet the most important Christmas bonus it has ever had. On our common Christmas list is a road map to a climate change agreement that is tough enough to contain global warming emissions to within 2° of pre-industrial levels, fair enough to bring developing countries and emerging economies on board, and comprehensive enough to include deforestation and shipping—and of course, it must include aviation. Due credit should be given to the Secretary of State for supporting those common European objectives.

However, were the Government playing Santa's little helper, or were they behaving like a character from "The Nightmare Before Christmas", helping Jack Frost to spoil the party? The Secretary of State needs to be absolutely specific with the House. While publicly supporting the common European position, which called for tough and specific targets in the action plan, did the Government have any contact with the United States Government that might have helped them to relegate those targets to a footnote? Among the genuine welcome achievements at Bali, that was a major failing. Even the commitment to measurable support for clean technology transfer to the developing world was only achieved, against initial American opposition, because of a united European Union acting in concert with countries such as India, showing real leadership in the battle against climate change.

Of course, we have been here before with the US. The Kyoto protocol was watered down thanks to US pressure, and the US did not even ratify it in the end. Let us all hope that by 2009 the American people will, like the Australians, have elected a leader who will not behave like a cartoon villain.

Our own credibility over the next two years is crucial, too. Does the Secretary of State accept that it undermines our own attempt to bring others into line with tough emissions reduction targets if we fiddle the cost of carbon, as we did over the Heathrow runway consultation, and fail to include the cuts of at least 80 per cent. that the science tells us are necessary in our own Climate Change Bill? The Government risk looking as silly as the Conservatives, who called for cross-party collaboration on green issues but then failed to back the Liberal Democrats, Friends of the Earth and the many other groups calling for such domestic targets.

May I finally ask the Secretary of State two questions, the answers to which could reassure us of his good intentions? When during the next two years does he expect tough binding targets to be agreed? Secondly, will he make contact now with Hillary Clinton, Barack Obama, John Edwards, Rudy Giuliani and other realistic presidential hopefuls to impress upon them Britain's absolute commitment to those targets and our expectation that, if elected, they, at least, will play ball? It is time for our special relationship with America to deliver for the planet.

Hilary Benn: I thank the hon. Gentleman for his kind words about the agreement that we reached. He will know that the EU's position, strongly supported by the UK, is that we should aim to keep the temperature increase to within 2°. There is not yet global agreement on that target, and my view is that the first thing the negotiations must address is the question of what we are trying to achieve. "Do you have a view on what sort of temperature increase your country could cope with? What impact will that have on crop failure, the availability of water and the movement of people around the world?" Those are very interesting questions to ask colleagues from other countries. Once we can get agreement on them, the science will tell us certain numbers and the size of the effort required. Then, the task of the negotiation will be to divide up who is going to do what.

I do not think that I could have been more specific than I was in answering the question asked by the hon. Member for East Surrey (Mr. Ainsworth) about what was reported in one newspaper. I talked to lots of delegations; that is my job, as part of the negotiations. I should point out to the hon. Member for Cheltenham (Martin Horwood) that the United States of America has made its position crystal clear before the negotiations, at them and subsequently. It does not currently sign up to a 25 to 40 per cent. reduction in emissions by 2020, it is not a ratifier of the Kyoto protocol, and it needed no encouragement from anyone, because it made its position absolutely clear. However, what we did get in the AWG report was indeed a reference to precisely those figures, because they arise from the science; they were also referred to in the overall document, albeit by way of a footnote. Nevertheless, everyone can read the documents and see what the IPCC had to say.

On the 80 per cent. figure, I hope that the hon. Gentleman listened to what the Prime Minister had to say in his speech three weeks ago, in which he said that we recognise that the science is changing. That is why

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we will ask the committee on climate change, when it advises the Government on the first three five-year carbon budgets, should our target be stronger still—should it be up to 80 per cent.? That is the right process for answering the legitimate question that the hon. Gentleman and other Members ask—and, believe it or not, that the Government ask themselves, which is why the Prime Minister said what he said: do we need to do more?

I turn to the hon. Gentleman's two specific questions. He asked when we would get agreement on binding targets, and the honest answer is, I do not know; it depends how the negotiations go and how individual countries respond. I think that he was encouraging me to involve myself in the political decision that the American people have to make about who their new President is going to be—and tempting though it is, I hope he will understand when I say that that is not a job for me. However, whoever the new President is, I look forward to him or her bringing the United States into the world community by recognising its responsibility to lead, as the largest emitter in the world, by taking on binding commitments to reduce its emissions.

Mr. Elliot Morley (Scunthorpe) (Lab): I congratulate my right hon. Friend, my hon. Friend the Minister for the Environment and their team on the success that they had in very difficult negotiations in Bali. When Opposition Front Benchers attack the Department for Environment, Food and Rural Affairs, they should note the respect with which our people are regarded internationally for the role that they played—diplomatically, technically and politically. It is true that the United States was not prepared to accept binding targets. It is hosting the major emitters conference, and many people believe that that is an attempt to advocate a voluntary approach, rather than a mandatory one. May I ask my right hon. Friend to use his influence and that of the EU to make it clear that that is not going to deliver the kind of changes that we need?

Hilary Benn: I pay tribute to my right hon. Friend for the work that he did in Bali and the work that he does through GLOBE—the Global Legislators Organisation for a Balanced Environment—in talking to other parliamentarians about how we can work together on this task; it makes a hugely significant contribution. He refers to the major economies process, and my clear view is this. Every contribution to dealing with this problem should be welcomed, but my right hon. Friend is absolutely right: pledging and reviewing, and saying, "We'll have a go. We'll come back later and find out whether it was enough," simply will not do. That is the truth and we know it, so eventually, all the rich countries will have to acknowledge that.

However, one of the other difficult things that we will have to address in the negotiations is this plain fact: even if, for the sake of argument, every rich developed country went zero-carbon in 10 or 20 years, we would still be left with the threat of dangerous climate change because of the rising emissions from developing countries, in particular China and India. That is the tough part, and we all know it—including China and India—because we all read the science and see the impact that dangerous climate change will have on our countries. The real task, which in the end will be the only means by which we can bring the richest country in the world and developing countries together, is to work out a fair mechanism—in the end, this is an issue of equity—for dividing up the contribution that each will make, according to their ability. That is the heart of the negotiation.

Mr. Michael Jack (Fylde) (Con): To achieve an agreement involving 130 countries is quite remarkable, but having read the White House press release of 15 December, I have to say that I still harbour concerns about the United States' position: it quite likes the menu, but it does not want the prices. What diplomatic effort is the United Kingdom going to make, particularly with the partners in the United States who take a more positive view about climate change issues, to whom he referred in his statement, to bring them as individual entities into the negotiation process, so that there can be true internal pressure from within the United States to enable its Government to sign up properly to something that really does have prices and menus at the end of the process?

Hilary Benn: The right hon. Gentleman is absolutely right about the nature of the task. One practical thing that we can do is to try to connect the initiatives being taken at state level within the United States of America with other trading schemes, in particular, including in Europe and elsewhere. That will allow us to begin to stitch together a global arrangement. Although the current Administration have one view about what they are prepared to sign up to, one should acknowledge the change in their position compared with the situation three years ago, when their view was that they did not accept the science, did not think that global warming was happening and wanted to be left out of any deal. They are not saying that any more, so we should acknowledge the change that has taken place, but it needs to go further.

Secondly, we will achieve such an arrangement by being straight about what we think needs to be done, as we have done throughout. We must understand that politics changes within countries, as has happened in this country, which is why we are introducing the Climate Change Bill. Five years ago, it would have been inconceivable that Parliament would be debating a Bill to put binding emission reductions on the statute book—people would not have known what we were talking about—yet that is happening now. In exactly the same way, this process of change and understanding will ultimately change the politics, and therefore the policy, of the United States of America. Such changes are taking place in many countries around the world, and I hope that the United States will be no exception.

Colin Challen (Morley and Rothwell) (Lab): Demonising the United States is a great game, but the vast majority of the Kyoto protocol's annexe 1 countries have failed miserably to meet their commitments under that 1997 agreement. There are one or two noble exceptions—sometimes that is the case more by accident than design—but the vast majority of countries fail to reach their targets. Does my right hon. Friend agree that, for the UK to pursue its leading role in this, a national dialogue initiated by the Government should take place over these two years so that we can properly address the questions that have been raised about our commitment, particularly on things such as aviation and new fossil-fuel power stations, and make an active contribution during the two-year process?

Hilary Benn: I hope that we have a constant dialogue in this House. As my hon. Friend will know, I am happy to talk to anybody at any time about this great task that faces us. He makes a fair point about the United States of America, which has been the focus of a number of questions in the Chamber today, but other countries also have reservations about changing their position. In the end, each country says, "We understand the dangers of climate change, but we are also concerned about the impact on our economic development of doing something about it." That is true of America, Malawi, China and India, which is why we must demonstrate that it is possible to combine sustainable economic growth with measures to reduce emissions. A modest example of that is the United Kingdom; our economy has grown by a quarter in real terms in the past 10 years while our greenhouse gas emissions have reduced by 7 per cent.—we are on course not only to meet our Kyoto commitments, but probably to do double the amount required of us. My hon. Friend is right that not everyone is doing what they promised, which is why we must redouble our efforts in the task.

Mr. John Randall (Uxbridge) (Con): How can we accept the Secretary of State's commitments to reduce emissions when his own Government are advocating a third runway at Heathrow, which will lead to emissions equivalent to those being produced by Kenya?

Hilary Benn: What I would say to the hon. Gentleman is that if aviation is included in the EU emissions trading scheme on the terms on which I hope it will, there will be a baseline. Any growth above that baseline will either have to be dealt with by aviation, as I said, or be offset by reductions elsewhere. The truth is that within the total amount of carbon dioxide that we state that the UK should be emitting in 2020 and 2050—the projection involves a very significant reduction in emissions—as a society, we will still have a choice about where we emit that carbon.

The hon. Gentleman focuses on one particular aspect of emissions, but he could focus on other areas of our society responsible for emitting carbon. The question is not whether we say, "This particular area should not have increases." The question is whether we achieve the reduction overall, recognising that, as human beings, we will continue to have a choice. That is the argument for including aviation in the EU emissions trading scheme, because doing so would mean that aviation would no longer be exempted from having to make its contribution. The real challenge is ensuring that we make the reductions across the economy as a whole, including in aviation.

Mr. Frank Field (Birkenhead) (Lab): Will the Secretary of State give the country the most important of Christmas presents by buying us a rainforest? Is that not a real possibility, given the statement by the President of Guyana? Are not taxpayers' funds being put aside—all £800 million of them—to achieve that objective? Does he accept that unless we change our attitude to the preservation of the rainforest, we will not be here much longer to hear him make statements such as the one that he has made today? While he is thinking of how to say yes to my question, may I congratulate him on the way in which he conducted himself during the negotiations?

Hilary Benn: I am grateful to my right hon. Friend for his kind words, although I am not sure that my Christmas budget will quite extend to taking up his kind offer. My hon. Friend the Minister for the Environment met representatives of Guyana when we were in Bali, and the President made an interesting proposal, which we will examine. The fundamental challenge that we have is to change the incentive structure, because countries may currently have an incentive to cut down the rainforest and to make money from doing so. The reason why the agreement on deforestation and the forest carbon partnership facility are so important is that they begin to put in place the structure that can turn that incentive on its head, so that countries realise that they can be paid and make money from protecting the rainforest and, indeed, other forms of carbon sink, in the interests of the planet as a whole. We are just finally beginning to wake up to the value of this resource. People have been campaigning for 20 or 25 years for agreement on deforestation, and we got the first breakthrough on that in Bali last week.

Norman Baker (Lewes) (LD): I welcome the steps taken by the Secretary of State and by the Department for Environment, Food and Rural Affairs. Further to the question raised by the hon. Member for Uxbridge (Mr. Randall) on aviation, the Government abandoned the idea of predict and provide in the case of road building, recognising that extra roads generate more journeys that would not otherwise be made, so why are they still committed to predict and provide for aviation?

Hilary Benn: The answer is simply that without a European-wide and ultimately a global agreement to deal with the contribution that aviation emissions make to the problem of global warming, progress will not be made. The second point to make is that individuals have a choice. The hon. Gentleman will be aware that the Government are not saying to people, "Come on, we have a target to meet. Please do not get on that plane." Such matters are the result of the choices that individuals make.

Thirdly, we must consider the question: what is the right way to try to deal with aviation emissions? Such emissions constitute 7 per cent. of the UK's emissions—that is about the same as those from agriculture, although I accept that those emissions are likely to rise in future. We must get aviation into the emissions trading scheme, and it must then play its part. Any further growth has to be offset within the total emissions reduction that Europe is committed to achieving. I make the point again that one can, if one wants, focus on particular types of carbon-emitting activity and say that they are especially bad and that we should do something about them, but we could also recognise that what matters is whether we achieve the reduction overall and whether we recognise that within that reduced total, we still have a choice about where to emit the carbon. That is an important point to understand as we try to make progress.

Clive Efford (Eltham) (Lab): May I congratulate my right hon. Friend and the Government on the leadership that they have shown on this important issue? I hear what he and others have said about the position of the United States, but does he agree that that country is such an important economy in the world that unless it engages fully with this issue, others are unlikely to do so and that that can only diminish the success of negotiations that are achieved in summits such as that in Bali? Does he also agree that although we can have an impact on our 2 per cent. of emissions, one of the biggest impacts that we can have is in exporting technology to developing economies such as China and India? Would he care to say what negotiations he has had on that, and how he thinks we can make a big contribution in that regard?

Hilary Benn: My hon. Friend is right about the importance of technology. It is becoming increasingly clear that the truth is that the issue is not about intellectual property rights per se, because our globalised economy shows that technology will move around the globe; the issue is whether it can be afforded and whether there is the right climate for investment, which will encourage the technology to be introduced.

Let us consider a practical example. The technology that India uses to manufacture cement is world leading in terms of energy efficiency, and that shows what is possible. There is no doubt that developing countries are looking for such technology at an affordable price. Carbon capture and storage, which was mentioned in a previous question, is a good example of that. The Indian Energy Minister sees that 45 per cent. of his population have no access to electricity and he wants to get the power to them as quickly as possible but he is concerned about the additional cost of adding carbon capture and storage to the power stations that are being built. Demonstrating that the technology works, bringing down its cost and supporting developing countries to fit it are the practical things that we can do. That is why the clean energy investment framework, through the World Bank, makes a practical contribution to that process.

Mr. Nick Hurd (Ruislip-Northwood) (Con): Given that 25 countries are responsible for some 90 per cent. of emissions, and just four industrial sectors are responsible for some 70 per cent., is it not time to consider a more pragmatic approach than the COP circus and recognise that a deal can be done only with a smaller group of nations and with the private sector much more visible at the negotiating table than it was in Bali?

Hilary Benn: Well, I share some of the frustration that the hon. Gentleman expresses about the process, because it can be messy at times. Certainly the drama that we saw in the last 24 hours in Bali was proof of that, but in the end the world came through. I would not underestimate the huge importance of a global deal that represents all the nations of the world. The hon. Gentleman makes a good point when he says that a smaller number of countries will make or break the deal, and that we need the private sector to make this happen. As he will recognise, one of the most striking things is how attitudes in the business community are changing here in the UK, in parts of the US, in China and in India, which I visited three weeks ago and met representatives of the confederation of business organisations.

The more that the voice of business is heard saying that they recognise what Nick Stern says—that it will be much more expensive to do nothing than to deal with it and that there is a business opportunity to be had in grasping a low-carbon future—the easier it will be to unlock the worry felt in many industry Ministries around the world about the consequences of dealing with climate change for their industrial competitiveness and economic future. The louder the voice of business can be heard, the faster progress we can make.

Rob Marris (Wolverhampton, South-West) (Lab): Well, here we go again. We talk about climate change and, with the exception of my right hon. Friend the Secretary of State and the spokesperson for the official Opposition, all the questions are about causes of climate change with nothing about effects. So I welcome in particular the recognition in Bali of the current and pressing necessity to adapt to climate change, which is already happening and will inevitably worsen. Can my right hon. Friend assure me that the UK will itself pay much more attention to the need to adapt to the effects of climate change and put more comprehensive measures in the Climate Change Bill?

Hilary Benn: I pay tribute to the application with which my hon. Friend ensures that we continue to discuss adaptation alongside conversations about mitigation. The breakthrough on the adaptation front, which I hope he will recognise, is an international step forward. A good example of the Government doing exactly what he invites us to do is Sir Michael Pitt's interim report, which was published yesterday and which made precisely the point about the need to adapt to a changing climate, its impact on changing our weather and, therefore, the effect on flooding. It is a lesson that the world is learning. When we debate the Climate Change Bill, my hon. Friend will see what is in it to respond to that important point.

Sammy Wilson (East Antrim) (DUP): Does the Secretary of State not see the irony of 10,000 people flying halfway round the world to discuss reducing CO_2 emissions while generating thousands of tonnes of CO_2? Does he accept that one of the reasons why no binding targets were agreed at Bali was that even the most enthusiastic participants know that to achieve them will require massive structural change in their own economies, will influence economic growth and will hurt most the economies of developing countries?

Dr. Ian Gibson (Norwich, North) (Lab): How do you get here every week?

Hilary Benn: I missed that—*[Interruption.]* Yes, well, that illustrates the point that I made a moment ago. I grant the hon. Gentleman that there is a certain irony in it, but the only way to get the deal was to get everybody in the same place and Indonesia was hosting the negotiations. Wherever it was, people would have had to come from other parts of the world. It was a price worth paying for the deal that we got.

Secondly, I hope that the hon. Gentleman will accept that as countries are able to demonstrate that it is possible for their economies to continue to grow, but sustainably, that will begin to undermine his argument. As I said, our own modest example in the UK over the last decade has demonstrated that we can begin to decouple the two. When that can be demonstrated, the way in which developing countries look at what they need to do will change, because they will realise that it is possible to get the economic growth that they want—to get their kids into school, to provide the electricity and to improve health care—and, at the same time, to make a contribution to ensuring that dangerous climate change does not in the end overwhelm them. India, for example, will have another 500 million to 600 million citizens in the next 40 years. They will have to be fed, but climate change could reduce crop yields, and there will be a shortage of water. That is not a very appealing prospect for any Government.

Tom Levitt (High Peak) (Lab): My right hon. Friend will be aware that peat is more important than forestry as a carbon sink for this country. He will also be aware that stopping the draining of peat bogs and moors can reduce flood levels and improve biodiversity. It also reduces the risk of fire, because fire, peat cutting and dehydration are the three major threats to peat in this country. Will he therefore ensure that we have a proper strategy to give peat a high priority in the battle against climate change in High Peak, the rest of this country and around the world?

Hilary Benn: I know that my hon. Friend represents a lot of high peat in his constituency. He makes an important point, and one of the conversations that I had in Bali was with a representative of Wetlands International who made precisely that point. It is a good example of our understanding of how the interrelationship between different types of human activity affects us. If we drain the peat for different economic use of the land, we release a lot of carbon, which is bad for global warming. We also accelerate the rate at which water drains off that land, which may add to the problem of flooding, as I mentioned a moment ago in relation to Sir Michael Pitt's review of what happened in the summer. As we make the connections, we can see that if we do the right thing, we can maximise the potential of peat to sequester carbon, reduce the water run-off that might otherwise flood the homes of the constituents we represent, and make a significant contribution. When I talk about deforestation, I refer both to the cutting down of forests and the drying out of peat, because we need to protect both if we are to do this.

Mr. Mike Weir (Angus) (SNP): On behalf of the Scottish National party and Plaid Cymru, I welcome the agreement reached in Bali, although I recognise its limitations. The Secretary of State mentioned technology transfer and said that a group will examine ways and means of speeding up technology development, transfer and funding. Clearly that is important, especially in carbon capture and storage, but can he give us some idea of the amount of funding required and the time scale for agreement? Are we likely to reach agreement fairly quickly or are we realistically looking at Copenhagen in two years' time?

Hilary Benn: I thank the hon. Gentleman for his kind words about the agreement. He puts his finger on an important point. As he will know, the UK will invest some £800 million through the environmental transformation fund over the next three years. We also need to redirect a lot of the funding from the international financial institutions, and that is what the clean energy investment framework is about. Ultimately, the issue is having an effective, functioning carbon market. As carbon increasingly acquires a price, we have the best hope of redirecting the huge amount of investment that will be going into energy generation, which is—from memory—some $22 trillion over the next few years, from high-carbon energy generation to low-carbon energy generation. That is where the bulk of the money will come from. Some of the pilot projects that I mentioned in answer to an earlier question on carbon capture and storage are the UK Government's contribution to helping to demonstrate that technology working in practice. Whoever perfects it first will have a lot of CCS kit to sell, which is another example of the big market opportunities available in tackling climate change and moving towards a low-carbon economy.

Dr. Tony Wright (Cannock Chase) (Lab): I pay tribute to the energy and commitment that my right hon. Friend brings to this issue and his role in the successful outcome of the Bali talks. On the question of the US, did not the representative from Papua New Guinea capture the sentiment of the world when he said to the US representatives, "We would like you to lead the world on this issue, but if you cannot lead the world, at least do not stand in the way of the world finding solutions." Is not the real point that it is not a choice, as the US believes, between technology and targets, but that the remedy lies in technology and targets?

Hilary Benn: I agree completely with my hon. Friend. That moment on the Friday morning was especially striking, and we should acknowledge that the leader of the US delegation, Paula Dobriansky, shortly afterwards said that her group wished to join the consensus. In the end, a negotiation is a negotiation. Does everyone always get what they want in a negotiation? No, they do not. The question is whether people are prepared to show enough flexibility to achieve a deal, and in the end the US did. My hon. Friend is right: we need technology, targets, effort and political will to achieve deals such as the one we got in Bali. Despite all our differences, no delegation wanted to leave without having reached an agreement, as we all understood just how much was at stake.

Dr. Julian Lewis (New Forest, East) (Con): I hope that the Secretary of State will forgive me if I missed the answer to my question in an earlier exchange, but to what extent did nuclear power feature in the Bali discussions? What assessment have he and his ministerial colleagues made of the positive input that civil nuclear power could make to helping this country cut its contribution to global warming?

Hilary Benn: I cannot recollect anyone raising that question in the course of discussions and, from memory, I do not think that civil nuclear power figures in the agreement. Although it is tempting to prejudge the consultation that has been taking place, the hon. Gentleman will have to wait until after Christmas for the outcome.

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However, in the fight against dangerous climate, we are all having to think about things that we did not have to think about before.

Barry Gardiner (Brent, North) (Lab): I should like to congratulate the Secretary of State and his team on the progress made towards including deforestation in a post-Kyoto framework. Does he agree that that progress must give renewed emphasis to our efforts to tackle illegal logging during next year's Japanese presidency of the G8? We must make sure that that dialogue is firmly on the agenda. Does he agree that, if we are to succeed in introducing red lines into the post-Kyoto settlement, special emphasis must be placed on clarifying land rights and rendering land-use contracts transparent?

Hilary Benn: I pay tribute to my hon. Friend for the enormous amount of work that he does on deforestation, and he is right to say that it is a practical problem. It is very appropriate that we should have reached the first global deal on deforestation in Indonesia, given the scale of the challenge that that country faces. Fundamentally, it is a matter of governance in the countries that produce the wood. For instance, do they know who, if anyone, should be cutting down the trees? Can they verify that, and certify that exported timber has been legally logged? When the appropriate arrangements are in place, customs officers at Harwich or Lowestoft will be able to ask whether a shipment of timber from Indonesia, for example, has a certificate of legality. If it does not, they will not let it into the country. That is the deal that producer and importer countries must arrive at, and we will play our part when producer countries are able to play theirs.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I, too, welcome moves to reduce and prevent deforestation, but the reduction of tariffs on foodstuffs as a result of World Trade Organisation negotiations is one of the biggest incentives for people to cut and burn established forests. If we are serious about deforestation, should not reduced tariffs apply only to food products that are produced in a sustainable manner, and not to those produced as a result of rainforest destruction?

Hilary Benn: The hon. Gentleman raises an interesting and important point that most often arises in the context of biofuels. They are a major issue in Indonesia, given the extent of the palm oil plantations there. Biofuels will make a contribution, but they will not solve the problem, and the most important thing is to draw up ways to measure the sustainability of the biofuels that are produced. For example, the corn grown for methanol often has a worse impact than what it replaces, but other forms of biofuel are much better. If Europe sets the sustainability standards for what we import, that will send a message to producers that they should not slash and burn, as that would make the problem even worse, rather than better.

BILLS PRESENTED

Expenses of Public Servants (Publication)

Norman Baker presented a Bill to make provision for the recording and publication of specified expenses incurred by certain public servants; to promote transparency in the use of public funds; and for connected purposes.: And the same was read the First time; and ordered to be read a Second time on Friday 29 February, and to be printed. [Bill 46].

Road Traffic (Prohibition of Anti-detection Devices)

Mr. Alistair Carmichael presented a Bill to prohibit the supply of devices and substances designed to impair the recognition of vehicle registration marks by speed cameras and other authorised traffic control devices; and for connected purposes.: And the same was read the First time; and ordered to be read a Second time on Friday 16 May, and to be printed. [Bill 47].

Human Rights Act 1998 (Meaning of Public Function)

1.25 pm

Mr. Andrew Dismore (Hendon) (Lab): I beg to move,

That leave be given to bring in a Bill to clarify the meaning of 'public function' in section 6 of the Human Rights Act 1998.

The purpose of my Bill is to ensure that, when the private sector carries out public functions—for example, in contracted-out care for the elderly—the Human Rights Act 1998 will apply. My Bill seeks to reinstate unambiguously the wide interpretation of the term "public function" that was understood to be the meaning of section 6 when the Act was passed, but which has now been cancelled out by court judgments. My intention is to ensure that human rights' protections apply comprehensively, directly and consistently to all those who receive public services from private providers, including the most vulnerable members of our society, such as the elderly in care homes. The Joint Committee on Human Rights, which I chair, is extremely concerned about this issue and continues to press the Government to resolve it.

The Human Rights Act 1998 brought home the rights set out in the European convention. Previously, British people had to go to Strasbourg to challenge breaches of their human rights. However, the protection of the Act has been less comprehensive than Parliament intended, because of the judges' interpretation of the meaning of "public function". Under section 6, it is unlawful for a public authority to act in way that is incompatible with a convention right.

The Act states that a public authority includes

"any person certain of whose functions are functions of a public nature".

During the Bill's passage through the House, the then Home Secretary and Lord Chancellor made it clear that privatised or contracted-out public services were intended to be within its scope. We were told that the "public function" definition emphasised the functions rather than the institutional status of the body performing them. Since the 1998 Act came into force, a series of court cases has considered whether a specific private company or organisation that provided services came within its ambit. The exclusion of the private sector has caused the wide interpretation that was originally intended to be disregarded completely.

In 2002, the local authority-funded residents of a care home run by the Leonard Cheshire Foundation, a private charity, wanted to challenge the decision to close their home. They claimed that that decision broke their right to respect for their home under article 8 of the European convention. However, the Court of Appeal found that the care home was not a public authority under section 6 of the 1998 Act, so the residents could not enforce their rights, even though the council still had its obligations to them.

In the most recent case—the YL case—the Law Lords put matters beyond doubt. YL was an 84-year-old lady with Alzheimer's, and the council had organised her care in a private home. Her family raised concerns about her treatment, and the home then gave Mrs. YL 28 days' notice to quit, because care home residents have no security of tenure whatsoever. There was evidence that her condition would deteriorate if she was transferred to an unfamiliar setting, so her relatives challenged the decision under section 6 of the 1998 Act. However, the Law Lords ruled that care homes run by private companies, even when they have a contract for the placement of residents at public expense, are not public authorities for the purposes of the 1998 Act.

In 2004, the Joint Committee on Human Rights concluded that the test being applied by the courts in such cases was "highly problematic". In many instances, it resulted in an organisation

"standing in the shoes of the State"

but without the State's legal responsibilities under the 1998 Act. That had led to a "serious gap" in the protection that the Act was intended to offer.

The judgment in the YL case has made matters worse. It has created a problem with immediate practical implications of much wider significance, because so many services previously delivered by public authorities are now privatised or contracted out. The implications extend across the range of especially vulnerable people in society, affecting not just elderly people in private care homes but, for example, tenants in housing association properties, people with physical or learning disabilities and looked-after children.

In November 2005, the Government published guidance for local authorities on contracting in the light of the Human Rights Act. We found that guidance alone cannot solve the problem; in reality it has proved utterly useless. It dissuaded procurement officers from taking a positive approach. No model process was recommended, nor were standard contract terms. The guidance was badly written, difficult to follow and unpublicised. The guidance lacked accessibility. It was written in highly technical language, and was difficult to understand. It was hard to find and gave no practical examples. There were no mechanisms to monitor the impact on procurement. In general, local authorities were not even aware that the guidance existed. Guidance can never be a substitute for the direct application of the Human Rights Act to service providers.

The Government strategy of intervening in court cases has proved a failure, too, following the YL judgment. The legal position for other services is now extremely uncertain and must not be left to the vagaries of judicial interpretation. There is an urgent need to ensure that our human rights law clearly and unambiguously protects vulnerable people. The recent Joint Committee on Human Rights report on the treatment of the elderly in hospitals and care homes drew attention to appalling evidence of woeful neglect, lack of dignity and respect, and ignorance of the human rights of the elderly. The existing legislation does not sufficiently protect and promote the rights of older people in health care.

The Under-Secretary of State for Health, my hon. Friend the Member for Bury, South (Mr. Lewis), who has responsibility for care services, and the Minister of State, Ministry of Justice, my hon. Friend the Member for North Swindon (Mr. Wills), who has responsibility for human rights, both agree that the present position is anomalous and must be addressed. Recently, my hon. Friend the Under-Secretary of State for Health told me:

"Publicly funded residents of private residential and nursing homes should be covered by the 1998 Act and I believe that that was Parliament's original intention...I shall consider what instructions we can give to the regulator to ensure that homes,

[Mr. Andrew Dismore]

> including independent-sector homes, are regulated on the basis of their meeting the requirements of the 1998 Act."—[*Official Report*, 13 November 2007; Vol. 467, c. 526-7.]

In evidence to my Committee last month, my hon. Friend the Minister of State, Ministry of Justice said:

> "We will start addressing this issue in the consultation process on the British Bill of Rights and Duties which is beginning early in the new year."

I am not persuaded that the problem can be rectified by the regulators; nor am I satisfied that legislative reform should have to await the outcome of the Government's proposals for a British Bill of Rights, which could take years to emerge, if they ever do.

The Health and Social Care Bill, currently before Parliament, provides an ideal opportunity to address the specific anomaly identified in YL, but the Government have yet to explain why the Bill should not be amended to ensure that providers of health and social care are brought within the Human Rights Act. However, although a sector-by-sector approach could provide a short-term fix for some cases, we need a legislative solution to achieve the broad scope of the Human Rights Act originally envisaged by Parliament.

Last year, the then Lord Chancellor made the extraordinary proposition that a widening of the definition of public authority could have the effect of driving private providers out of the market. I say "extraordinary", because it would not be a widening of the definition, but would be on all fours with what Lord Irvine of Lairg—the previous Lord Chancellor—told Parliament was intended when the Bill was before it. Moreover, the appalling implication of that comment is that private sector care home residents are not to have the right to challenge abuse in our courts, making them second-class citizens—in growing numbers—as local authorities continue to contract out. The commercial interests of contractors are being put before the decent treatment of the elderly and vulnerable.

I am pleased that that position was rejected by the then Prime Minister when I questioned him about it during a Liaison Committee meeting last February. He made it clear that in his view private sector providers should be brought within the scope of the Act. The Government should not toy with the idea of narrowing the scope of the Human Rights Act in any sector.

In the previous Session I proposed a Bill similar to this one, and on Second Reading, the then Minister, my hon. and learned Friend the Member for Redcar (Vera Baird), now the Solicitor-General, said:

> "We are committed to taking action this year."—[*Official Report*, 15 June 2007; Vol. 461, c. 1047.]

It is thus hardly surprising that I am disappointed when, on the very last sitting day of 2007, there is still no decision on how to resolve the chaos of the YL case and no plan for legislation to solve the problem comprehensively.

Time is of the essence for vulnerable people who ought to benefit from the full protection of the Human Rights Act, but are currently denied it. The Government are not moving quickly enough to deal with the problem, so I urge the House to support my Bill.

Question put and agreed to.

Bill ordered to be brought in by Mr. Andrew Dismore, Dr. Evan Harris, Nia Griffith, Mr. Virendra Sharma, John Austin, Ms Karen Buck, Mr. Paul Burstow, Clive Efford, Mike Gapes, Mr. Andy Slaughter, Jeremy Corbyn and Shona McIsaac.

HUMAN RIGHTS ACT 1998 (MEANING OF PUBLIC FUNCTION)

Mr. Andrew Dismore accordingly presented a Bill to clarify the meaning of 'public function' in section 6 of the Human Rights Act 1998: And the same was read the First time; and ordered to be read a Second time on Friday 16 May, and to be printed [Bill 45].

Christmas Adjournment

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watts.]*

1.35 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): The business of government in a democratic country is a delicate balance between the needs of the population and the desires and political objectives of the Government. Although we have a system that enables us to vote for our Governments on a four or sometimes five-yearly basis, in the interim it is essential that whoever the Government are they do not misunderstand the implications of the changes they make.

In the administration of our country, local government has an important part to play. Indeed, one might say that the present Government have channelled large sums of money into local government and given it extra powers precisely because they expect there to be a partnership between the needs of the population at local level and the Government centrally. There are frequently objections from people who believe that all decisions should be taken centrally and imposed on those who for one reason or another have different views. That has never been my view and it never will be.

I believe that today the Secretary of State for Communities and Local Government—to whom I have given notice that I intend to mention her—intends to announce the reorganisation of Cheshire. She has never at any point deigned to explain the reasons for those major changes. Indeed, just before the summer recess, when an announcement was made that it was the intention to divide Cheshire into two, irrespective of the needs or wishes of the population, a letter was issued from the Department saying that the decision would none the less be subject to close examination of a number of factors, of which the economic ones were enormously important.

Rather foolishly, I thought that comment was serious and in the intervening time, with the assistance of people in education, the health service and general services, I have endeavoured to persuade Her Majesty's Government—pointlessly, as it now appears—of the inequity and imbalance of the scheme they were proposing. My reasons were simple. The decision is not political. As anyone who bothers to make even the most elementary calculation will discover, the Labour party has little to gain from what is being proposed. The fact that my constituency will become part of a council dominated by a 56 per cent. Conservative vote is obviously of no concern to some people, but it is important to understand that the other part of Cheshire will be no safer. Those who pretend that the decision is political should examine the facts and figures.

The decision is certainly not economic. Cheshire is a mixed, interesting and dynamic county, which is changing every day. It has close relationships with Manchester in one direction, Liverpool in another and with north Wales and the potteries at various points. It is notable not only that the county has responded at all levels to the need for imaginative change, but that it is clearly capable of carrying forward at county level a unitary government that would be economically viable and would respond to the dynamic that the Labour Government have been proposing.

The Secretary of State has taken the decision not on political grounds—certainly not on party political grounds—and not on economic grounds, because all that information was supplied to her and to Treasury Ministers in considerable detail from the beginning of the discussion in July. It was pointed out to her that the two new authorities would rapidly run out of reserves—indeed, that they would do so within the first year of their creation. It was pointed out to her in great detail—the figures have been emphasised time and time again by independent audit—that the effect on the population of Cheshire, and particularly on my constituency, would be directly felt in the development of its schools, hospitals and general services, be they waste, roads or any of the other services that local government controls.

Therefore, there has to be a particular reason for today's statement. Of course, that statement is in the form of a written answer, because it would be unfortunate to have to come here and answer questions from the Members concerned. Presumably it is because the Secretary of State is alleged to have said—although I am sure it cannot be true—that Cheshire is too big. May I point out that of the five unitary counties that have been given permission to go ahead by the Secretary of State, Cheshire is the smallest area? But, of course, throughout the debate facts have not really carried any great emphasis.

Why are we continuing to press ahead with a change that will not just destroy the old county boroughs and the cohesion of our education services, but will make the situation impossible, for example, for large assets that are jointly owned, such as Tatton Hall, which will need vireing from one authority to another before it can remain in the control of the population of Cheshire? But none of those things is of concern. We must move on; progress is all.

We should give full credit to the Secretary of State. She alone appears to have taken the decision. Treasury Ministers know very well that the facts and figures with which they were presented were absolutely watertight and that discussions have been held both at county level and at local government level in Chester and elsewhere with a number of auditors who have made it plain that they have accepted the case for one unitary county because those figures are viable and the alternative is not. It is known that the taxpayers in my area will not only have to pay many thousands of pounds, but will face the loss of many of the advantages that they have at present.

I have been in the House long enough to see the coming and going of many inadequate personalities. I have seen those on both sides of the House who have been promoted for various reasons. I have seen the crawlers. I have seen those who have used sex—*[Interruption.]* Oh, there are so many it would take too long to name them. I have seen those whose sexual preferences were of interest to others. I have seen those who demonstrated a great commitment to their own interests, irrespective of the political parties that they were supposed to represent.

But I have rarely seen a decision such as this, taken with such cynicism and with so little respect for the interests of the average voter. When the Secretary of State was seeking office as the deputy leader of the Labour party, she said that people frequently become disaffected with their own Government because they

[Mrs. Gwyneth Dunwoody]

feel that no one is listening to them. Wherever could they have got that idea from? She also made it clear—she told us constantly—that she would listen.

Let me make it very plain: this decision will affect everything in my constituency—every practical purpose that I am pursuing at the moment. Three new health centres, a new school, which is desperately needed in one of the most deprived areas, and a new railway station: all those things will be scuppered by this decision, which will make my local government fundamentally uncertain not only in economic terms, but in its political control.

If I may say so, the decision has been taken with a degree of cynicism that I have not seen for some time. I do not believe that it is in the interests of the Labour party, but then it has never been pretended that the decision is in the interests of the Labour party or of individual voters. It is not in the interests of those who work in the health service, the education service, or social services, or of those who want decent, high-quality local government services. I believe that it is a decision that has been taken for the most venal and personal reasons, and I find it wholly and deeply objectionable.

1.45 pm

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): It is a pleasure to follow the hon. Member for Crewe and Nantwich (Mrs. Dunwoody). The Secretary of State for Communities and Local Government may regret not having made a formal statement, in which she could have addressed directly some of the questions raised by the hon. Lady. Today's debate is a timely opportunity for us to get things on the record..

I want to concentrate on the fact that there are several matters before the House and in the hands of Government that are affecting access to services for constituents in rural areas. There is a need to maintain the life of rural communities and to maintain their engagement. We are in the middle of the consultation on the closure of 2,500 post offices. It is depressing that the Government seem to have come at the issue with a top-down attitude, looking at how many post offices they can afford to close, rather than at what kind of network is needed to deliver the criteria that they have set for the Post Office. The approach should have been much more bottom-up, based on the community's needs. The Government should have worked out those needs and then built up to the kind of network that was needed to fulfil them, rather than coming up with a figure of 2,500 at the start of the process. The feedback from the Post Office is that if any individual campaign makes during the consultation an effective case for the non-closure of a post office, the Post Office will have to find another post office to close to make up the numbers. That means that the feedback from communities will not be as effective as it would be if a community-up approach were adopted.

In the north-east, there will be a month's delay before the community will know what will happen. It was meant to be April, but it is now going to be May before we know the Post Office's decision. Between now and then, we must continue to convey that there is a danger in building the model on to the urban reinvention model. The idea was that if one post office was closed, people would go to neighbouring post offices. In rural areas, where communication links are much more radial, there is a danger of falsely assuming that the closure of one post office will mean that the nearest post office benefits. The modelling will have to be far more effective in understanding how people in communities travel, where their nearest post offices are, and how many people are going to be excluded from access to those post offices.

The recent loss of child benefit data is a reminder of the value many people attach to using the post office as a safe and reliable means of handling their finances. The card account is a simple system. One cannot go overdrawn or put one's finances at risk. In a situation where people cannot trust the Government with their data, the Post Office card account is a safer choice, because there is no risk of any fraud being perpetrated.

The Government keep talking about how natural forces and a change in the market are driving the situation with the Post Office. One of the biggest customers, the Department for Work and Pensions, forcibly drove through far too fast the change in how payments are made. The Government have to accept that they pushed people faster than they were naturally willing to go when it came to changing the system and that they put pressure on the Post Office to adapt far too quickly. Now they are having to pick up the pieces through the Department for Business, Enterprise and Regulatory Reform, which is trying to sort out the Post Office.

The roll-out of broadband can engage rural communities and avoid a drift into cities. Many constituents finally have access to broadband, but parts of those communities do not get broadband at even the most basic speeds. However, many service providers produce sale pitches that offer broadband at much higher speeds than can be achieved on the ground. We need clearer marketing of broadband so that people get the speed of broadband for which they are paying, rather than an aspiration.

We also need to learn lessons from the first phase of getting broadband out. There is already talk of the next generation of much faster broadband. When Ofcom takes decisions on technology and the way in which it wants to operate the market, it needs to be mindful of how the service will be connected to rural areas. If it comes up with a model that can be rolled out really quickly in the cities, but that makes it even more difficult for social schemes to ensure that the technology reaches deep into rural areas, we will lose out again. Such technology should reinvigorate rural communities by enabling people to work from home, which would reduce the impact on the climate caused by commuting to work. However, if the progress in urban areas is much faster than that elsewhere, the drive towards people having to leave rural areas will increase. People who are involved in the oil and gas industry in the north-east of Scotland deal with large amounts of data. If such people are able to work from home, it will be a real bonus. However, that will require fast-speed broadband to reach their homes at the same time that it reaches urban areas.

Another change in technology affecting rural areas will be the switch-off of analogue television—that will happen in my area in 2010—which will lead to a total reliance on digital TV. We are beginning to hear assurances that when the power on the digital signal is turned up, it should be able to reach most homes, and that side of the technology is becoming more understood. However, it is important that rural communities have the chance to be part of the shared culture of digital television and to access information.

Some people are at risk of being excluded from the transition. People are already buying new equipment—if they are changing their television, they should be aware of their needs and how best to access digital TV—yet the help scheme kicks in only six months before the switchover. There should be a longer lead-in time during which vulnerable people can be assisted with the transition.

A particular group of vulnerable people who are missing out is those who are registered blind, those with poor eyesight, and those with dyslexia. The bonus of digital television for them will be audio description, which will mean that if they are watching a complex programme and cannot quite work out what is happening, they will be able to switch on the audio description to get the added benefit of finding out how many characters are on screen and what is involved in the development of the plot. Such technology will engage people with sight problems in TV in a way that cannot be achieved through the existing analogue system. However, there is concern that the aspiration for audio description is very low. Only 10 per cent. of public service broadcasting has to have audio description, so we need to drive that forward more quickly and effectively.

With regard to access, I am worried about the speed with which the Government are pressing ahead. Anyone who has switched to digital TV will know that the multitude of available channels are accessed by reading an on-screen guide. Clearly, such a guide is of no use to someone with sight problems or dyslexia, yet with multi-channel provision, there is no other way of working out the channels. On many handsets, the correct buttons to press are unclear, especially if one has difficulty with contrast; for example, many of the numbers might be very small. The Government need to press ahead quickly on ensuring that the talking programme guide is developed and running. If someone's TV were to break down now, it would be madness for them to buy an old-fashioned TV—they should adapt their technology in the run-up to the switch-off. There should not be reliance on the six months before switch-off.

Although the Met Office says that this winter will be warmer than normal, it will be colder than the past couple of winters that we have experienced. It certainly feels colder at the moment than it has been for some time. That will remind all hon. Members of those who are struggling to heat their homes and the fact that the winter fuel payment has not kept up with the rise in fuel prices. Three factors affect a person's ability to heat their home: their income; the price of the fuel that they use to heat the home; and the quality of the home's insulation. The Government tackled fuel poverty, in the early stages of the market, by relying on bringing down the price of fuel. Of course, prices have now gone back up, and although they have eased off a little this year, they are on an upward trend. If people are to be able to heat their homes effectively and to make sure that the money that they spend on heating is not wasted, we will need to drive forward much more effectively an improvement in the quality of homes and their insulation.

There is an added disconnect in rural areas. While the price of gas, and thus the price of electricity, have remained relatively stable this winter, the price of oil, which is the main option for heating homes that are not on the gas network, has shot up dramatically. If we are to tackle fuel poverty throughout the country, we will need to recognise that those who are not on the gas main are missing out yet again on something that is available to the vast majority of society.

The plans involving the regulator to try to extend the gas network to fuel-poor areas will have a marginal benefit. However, when the Government consider support for the fuel-poor, they need to address those who are not, and are never likely to be, on the gas main and who thus face more volatile fuel prices and unstable markets. To that end, I urge the Government to examine alternative ways of heating homes, such as heat pumps and microgeneration technologies, that are more fuel-efficient and thus not as affected as oil by fluctuations in fuel prices.

At this point I should declare my interest in the oil and gas industry. I am a shareholder in Shell and vice-chair of the all-party group on the offshore oil and gas industry, which is supported by Oil and Gas UK. On the other side of the energy equation, a lot of my constituents' jobs depend on the health of the North sea oil and gas industry, which is going through a period of transition. On the face of it, given that world oil prices are booming, it is a dynamic industry, but there are a lot of concerns underneath the surface. The Health and Safety Executive recently highlighted concern about structural maintenance and, if that is not addressed, the risk of a major incident. A lot of the equipment is reaching the end of its original design life, so a culture of adequate investment is needed to ensure the continuity of that equipment.

While the effective improvement to the human side of safety has been a success, there is a worry that if the investment culture is not right, another major incident could occur. That is a reminder of one of the challenges for the North sea, even with the high oil price. The situation surrounding the supply of skills and equipment throughout the world is becoming much more difficult, and competition for investment is becoming more challenging as larger, less mature fields in other parts of the world start to suck away investment. Costs are thus rising in the North sea.

Both the Government and the industry welcome the constructive engagement on changing the relationship between the Treasury and the industry. Historically, the Treasury, under both the Conservative and Labour parties, has viewed the industry as a short-term means of dealing with a cash-flow crisis in the Government's coffers, without thinking of the long-term structural investment needs. Although the Treasury has taken a more constructive approach to some of the issues affecting the industry, it still needs to look at maximising the return from the North sea by reducing its take from the North sea so that we can see long-term benefits. Such benefits would include not only the retention of more jobs in the north-east of Scotland and places throughout the country that depend on the investment, but increased security of supply through the establishment of new sources of gas, given that there is much gas that can be found there, although only with the right investment

[Sir Robert Smith]

climate. If we were to get that right, we could ensure that the Government's future tax revenues were far greater.

Those are the issues that I wanted to raise on behalf of my constituency in the Christmas recess Adjournment debate. On the business of the House, I hope that in the new year the Leader of the House will be able to give us business at least two weeks ahead. When we began to programme legislation and began reforms to the House, part of the trade-off offered by previous Leaders of the House was that there would be more predictability and more information on what was coming before Parliament, to enable people to plan ahead. That was for the benefit of Members of Parliament and, more importantly, outsiders. We must remember them. If Parliament is to engage with the outside world, we need to give those outside time to realise what is happening here, so that they can influence us before we make our decisions. I hope that in the new year there will be the resolve to get back to the cycle of two weeks' business being announced in business questions, so that the House can do a bit more planning. Obviously, as we progress, there can be a more clear-cut, longer-term view of how legislation will pan out.

Finally, Mr. Deputy Speaker, I wish a merry Christmas to you and all the staff of the House who make it possible for us to function. I wish all Members of the House a happy new year and a prosperous 2008.

2 pm

Joan Ryan (Enfield, North) (Lab): I am grateful for this opportunity to raise a matter of huge importance to my constituents. It is probably the most important issue in my constituency, and has been for a considerable time. It is the future of Chase Farm hospital, which is in my constituency but which also serves surrounding constituencies. It has been an issue for between 15 and 20 years, so it is of long standing. It has not been helpful for the hospital; it has created huge instability. It is no exaggeration to say that there has been a significant loss of confidence in the NHS, and certainly in acute services, among local people.

My commitment in 1997—the future of the hospital was an issue even back then—was that I would do everything that I could to ensure that Chase Farm hospital had a future as a fully functioning hospital. By that, I meant that the hospital would have in-patient and out-patient provision, and surgeons and physicians. Babies could be born there, and there would be accident and emergency provision. I will not look back over the whole period, because undoubtedly the 12 minutes available to me in no way allows that, but I want to go back to July 2003, when Barnet and Chase Farm Hospitals NHS Trust announced a "healthy hospitals" public engagement. "Public engagement" was never really defined, although we have had a number of them. They have varied considerably, but did not seem to involve much effort by local NHS bureaucrats, either in the hospital trust or in the primary care trust, to engage with the maximum number of constituents across my borough and the two neighbouring boroughs affected, Haringey and Barnet. A little part of Cheshunt is also affected.

Any public engagement that has taken place has been organised mainly by local Members of Parliament. At various times, members of the hospital trust or the PCT boards have attended. They have made some contribution at such meetings, but I am sorry to say that it has generally been a very unhelpful, ill-informed contribution. After the 2003 public engagement, a formal consultation document was to be produced. It was not produced—fortunately so, as the public engagement had been remarkably unsuccessful—because the sector-wide "healthy start, healthy futures" initiative did not proceed.

There were then two failed attempts to restart the consultation process, and in October 2005 there was another public engagement. That happened and provided any engagement with the public only because the three Enfield Members of Parliament organised a series of public meetings. Otherwise, I am not sure that there would have been any event that one could have pointed to and said, "This is a public engagement."

We were then confronted with five options for consultation, two of which were highlighted as preferred options. Three of them were declared not viable by the medical director of the trust, who had put the options before us. That beggars belief: why put three options before us that the medical director considered not viable? That was followed by the chief executive being quoted in the local newspaper as expressing her opinion on her preferred options, and reiterating that other options were not viable. That came across to local people as a fiasco. They felt that situation was a stitch-up, that one of the options would definitely become the way forward, and that what took place was not a public engagement, and certainly not a consultation, but was just lip service. At no point have we been told exactly what a public engagement or consultation should involve, but it is everybody's understanding that the views of the local community are supposed to be taken into account. I think that it is becoming clear why there is a significant loss of confidence.

At the end of the public engagement, it was clear that what the hospital trust wanted was a hot-cold solution. Barnet and North Middlesex University hospitals would be "hot" hospitals, becoming major trauma centres, with all accident and emergency work going there. Chase Farm would be a "cold" hospital, with all elective surgery. We want elective surgery at Chase Farm hospital, but we also want some accident and emergency provision, and we want it to be possible for Enfield babies to be born there.

Following the public engagement, we were to have a consultation. On 3 December 2005, 5,000 people in Enfield turned out to march on a cold, windy Saturday afternoon. That is a significant turnout for quite a small town. They linked hands around the hospital. There were numerous petitions opposing the hot-cold solution, one of which had 18,000 signatures. The local medical committee—our general practitioners—opposed that hot-cold solution, and felt that the public engagement had been completely inappropriate, and that the public's need for access to the engagement had not been met. The chief executive of North Middlesex University hospital made it clear that she had significant problems with the proposals, and that if they went ahead, they would cause real problems for the accident and emergency departments at North Middlesex University and Barnet hospitals. The proposed expansion of North Middlesex University hospital would need to be looked at all over again.

It transpired that there was no feasibility study underpinning the options, so a feasibility study was started. We cannot expect the public to have any confidence in a proposal that is brought forward with no notion of its financial viability, as was the case in this instance. I am pleased to say that in January 2006, options for formal consultation were delayed. There had been a public engagement and another set of options, but again there was to be no formal consultation. I am sure that hon. Members will be aware that there is a significant cost to such public engagements or possible consultations.

In January 2006, there was what was called a pause for thought. I was pleased to have that pause, which was due to the helpful intervention of my noble Friend Baroness Wall, who had become the chair of Barnet and Chase Farm Hospitals NHS Trust; I am pleased that she did—she brought some common sense to the situation. The pause for thought was to be until May. In February and March that year, I met the Secretary of State for Health. Numerous other lobbying activities were going on, and people were trying to put forward a sensible position on Enfield heath care services.

In May 2006, no document was brought forward. We then discovered the existence of something called the project board. In September 2006, the project board brought forward 10 high-level scenarios. In October, it shortlisted four. If the House is beginning to lose the thread, I am not in the least bit surprised. Hon. Members can only imagine how local people felt.

Then came a report from the clinical, public and patient engagement groups. Nobody really knew what they were. It seemed to be something of an exclusive process to which most of the public had been given no access. At that point, the Healthcare Commission published a report that classified Barnet and Chase Farm hospital trust as one of only eight acute hospital trusts in the country that were weak in resources and some areas of service quality. That rating reflected the trust's weak financial management, and so it is clear that we had gone from having no feasibility study to underpin proposals to having proposals based on information obtained from mismanaged finances. Confidence was totally eroded by that stage. We had had numerous other problems at the hospital. There were clearly serious management problems; we had three chief executives in some seven years.

We have since had a further formal consultation, and we have had the help of Professor Sir George Alberti, who was very helpful. He said that only over his dead body would the hospital close—closure was one option. I thought that that was rather a risky statement, given what had gone on so far. He also said that we needed some accident and emergency provision at the hospital. I sent out 30,000 letters during that consultation to help people to understand what was being proposed. We were willing to compromise. We were not saying that we wanted no change, but we said we wanted option 1, which was a hospital with all its elective surgery, some accident and emergency provision and a midwife-led birthing unit. We requested doctor-led, 24-hour local accident and emergency provision in line with what Lord Darzi recommends for a local hospital. We have just had the results, and option 1 is the approach that will be taken, but we have been given only 12 hours of local accident and emergency cover. That is not sufficient.

Will the Deputy Leader of the House ask Ministers in the Department of Health and anyone else who can have any impact on that decision to look at it very carefully? The people of Enfield have made it clear that they will work with local health authorities and Government and that they will accept some change, but we will not accept no accident and emergency provision during the 12 hours of the night. No cover is not acceptable—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I call Angela Browning.

2.12 pm

Angela Browning (Tiverton and Honiton) (Con): The Christmas pantomime at the Northcott theatre in Exeter this year is "Cinderella". We can all predict that it will have a happy ending and Cinderella will marry her prince. However, the outcome for the theatre is much more serious. We have recently heard that Arts Council England intends to withdraw all its annual funding of some £547,000 a year. If that is withdrawn, it is almost certain that the theatre will close.

My next-door neighbour, the hon. Member for Exeter (Mr. Bradshaw)—the Minister of State, Department of Health—has set out clearly the reasons why, in his words, Arts Council England has made a most perverse decision. I agree, because although the theatre is on the campus of the university of Exeter, it is valued by the wider part of Devon, particularly eastern and mid-Devon, which I represent. I spoke only this morning to a theatre critic from the west country who has described the work of the Northcott theatre over the years as of quality. The performances at the Northcott are of a high quality.

The reason why the hon. Member for Exeter described the decision as perverse is that we have all been invited to a launch of the newly refurbished Northcott theatre in January—£2.1 million has just been spent on refurbishing it, of which Arts Council England contributed £100,000. It continued to pay more than £500,000 in revenue costs while the theatre was closed for refurbishment. Exeter city council, Devon county council, the university and private funders managed to raise £2.1 million to refurbish the theatre on the basis that Arts Council England supported and expressed confidence in the future of the Northcott.

It would be remiss of me, on behalf of my neighbour the hon. Member for Exeter and other Devon MPs, not to draw the House's attention to a decision that he has rightly described as perverse. In that part of Devon, we value the quality of work at the Northcott. It is well attended, with 80 per cent. attendance, which is very good for a provincial theatre. I hope that the Deputy Leader of the House will pass on to the relevant Minister the fact that opposition to Arts Council England's decision has cross-party support in Devon. We stand shoulder to shoulder and will oppose the decision, because the loss of the Northcott would be a severe blow to the people of Devon.

I shall now move on to the subject of drugs. In certain cases, people have serious medical conditions and health care professionals believe that they should

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have access to drugs, but for one reason or another they are either denied access or, again rather perversely, even prevented from making some contribution, if they so choose, to help to pay for the drug.

I recently had a case in Devon where a young mum had a severe but rare condition. The difference in cost between the drug that she was allowed and the drug that her consultant in London prescribed—the condition is so rare that her case is overseen by a London consultant—was £6,000 a year. Although she was turned down on appeal by doctors who clearly could not have had any knowledge of the complexity of her condition, I took the matter up with the chief executive of our primary care trust and I am pleased to say that she has now been allowed the drug that her consultant prescribed. MPs and other such people should not be the only route to obtain drugs that health care professionals believe necessary.

We have seen in the press only this week the rather bizarre situation in which people who pay a proportion of their costs when they have a life-threatening or severe condition are then denied any access to the rest of their treatment on the NHS. That cannot be the fairness and justice that the Government talked about when they came to office in 1997.

I am sure that the House will want to return to the subject. I certainly shall, not least—as hon. Members who, like me, represent English seats will know—because of the battle to get Lucentis prescribed for our constituents with wet-eye age-related macular degeneration. I notice that the Prime Minister was asked about that point a week or so ago at Prime Minister's questions. Ironically, the Prime Minister will not have the sort of postbag about this that I do, because his constituents in Scotland get the drug; mine go blind. In the interests of fairness and justice, I ask the Deputy Leader of the House: what is the point of research companies that produce wonderful, ground-breaking drugs that make such a difference to people's lives if people in this country cannot afford them? Health care professionals say that those drugs are the help that people need, but, perversely, they cannot be obtained even if people are prepared to contribute some of their hard-earned money to help to pay for them. There is something seriously wrong with drugs prescribing in this country. I ask the Deputy Leader of the House to look into that.

Finally, I want to come to a point that I hope to bring back to the House in the new year. However, I must ask for the help of the Deputy Leader of the House. I wrote to the Minister for Housing, who is responsible for home information packs, on 19 October on behalf of my constituent, Mr. Dyke of Dunkeswell, who is aware that I shall raise the matter today. Mr. Dyke owns the kind of property that will be familiar to people who understand Devon architecture: a Devon longhouse. They are very old, very beautiful houses. This particular one was built in about 1500. He wanted to put his property on the market. Of course, since 1500 significant alterations and improvements have been made, including some to the thatched roof, and an additional part has been added to the building.

I do not think that any of us would oppose energy certificates in principle, although my party rightly opposes the whole of the home information packs operation. When the energy inspector arrived at Mr. Dyke's house, he spent 15 minutes inspecting the property and asked no questions whatever of the home owner. Mr. Dyke was worried about that, because it is a complex building, and he volunteered certain information to the inspector and even walked him round, pointing out things that the inspector might have missed. The inspector made one or two notes and went away.

The property contains a solid fuel Rayburn, a Nouvelle Heatranger. On receiving the inspector's report, and finding that he had received an F category energy certificate, my constituent was sure that the inspector had not taken account of the real fabric of the improvements that had been made to the property. Mr. Dyke obtained a copy of the assessors handbook produced for people carrying out such inspections, and—lo and behold—solid fuel boilers and heaters were not listed. Only gas and oil heaters were mentioned. Nor, for that matter, was there any mention of a building material with which we in Devon are very familiar: a substance called cob, which has quite beneficial insulation properties. I do not have time to go through the whole list of omissions.

My constituent has rightly described this situation as a farce. In the end, he had to ask for someone with more experience to come out and do the whole inspection again. So someone who until recently had been a chiropractor turned up to look at the construction of Mr. Dyke's house. In the list of recommendations subsequently produced, my constituent was advised to fit a heating programmer, despite the fact that the system already had one. He was also advised that thermostatic radiator valves should be fitted, even though every radiator already had one. He was told that the hot water tank had no thermostatic regulator, although there was one. The list went on and on.

My constituent wants to sell his property, which is not unnatural, yet he is still being plagued by bureaucracy and inefficiency in what he has described as a farce. I wrote to the Minister for Housing about this in October, and I have sent her chasing letters since then. I have still not had the courtesy of a reply. Given Mr. Dyke's experience, it appears that the people who are given the task of carrying out these inspections are not qualified or experienced enough to deal with older properties, but are trained to deal only with modern construction methods. I live in a house built in the 1600s made of wattle and daub—and I do not suppose that wattle and daub appear anywhere on the list of building materials that the Government deem it necessary to inspect.

Even worse is the way in which the Government have set up these certificates, with an inspection matrix that allows certain tick boxes and not others, obviously not taking account of the diversity of property construction, especially in parts of the country such as Devon, with a great mixture of old traditional properties containing a wide range of building insulation and materials. The Government really must intervene on this issue, and I would like the Minister to respond to this point.

My constituent Mr. Dyke has spent a lot of money improving the insulation and energy efficiency of his very old property. No one who has looked at it so far has been capable of giving the building a true assessment. It is outrageous that such people should have to undergo all this additional stress, anxiety and bureaucracy when they want to do something as simple and straightforward as selling their home.

2.24 pm

Keith Vaz (Leicester, East) (Lab): It is always a pleasure to follow the hon. Member for Tiverton and Honiton (Angela Browning). She usually ends such speeches by inviting hon. Members to visit her constituency during the recess, although I am not sure what she would want us to look at. Perhaps it would be Mr. and Mrs. Dyke's central heating, or the theatre that is about to close down. I shall have to give it a miss on this occasion. One place that I shall not be visiting is Cheshire, and certainly not in the company of the Secretary of State for Communities and Local Government, for fear of what my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) might do to us if we were to arrive together.

I have only a few points to make in this Christmas Adjournment debate: two are local issues, and two are of national interest. The first is a matter that has already been raised by the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith)—the closure of post offices. He gave a good account of the closure programme, which will also affect my constituency. There have been 52 post office closures in Leicestershire, Rutland and Northamptonshire, and one that I am particularly worried about is the post office at Willow Brook road and Bushby road.

I went to that post office last Friday to accept a petition from Mr. Shah and the local residents, which I will present to the House at 7 o'clock tonight. I hope that hon. Members will want to stay for the presentation of the petition. In it, local residents express their grave concern about what might happen to local facilities if the Willow Brook Road post office closes. A lot of elderly people use that post office, as well as a lot of lone parents, and mothers who cannot go into Leicester city centre to access postal services. This post office is of vital importance to the local community.

I know that all hon. Members can make a case for keeping their local post offices open, but I want to ask the Minister to make a special plea, through her good offices, to the Minister for Employment Relations and Postal Affairs, my hon. Friend the Member for Wolverhampton, South-East (Mr. McFadden) to re-examine the case. I invite him to come to Leicester over the Christmas recess—Wolverhampton is not that far from Leicester—to visit Mr. Shah and the local residents and to hear for himself their real concerns about these proposals. I have faith in the system, and I know that we have Postwatch, but I am worried because every time we have written to Postwatch or the Government about a post office closure, the closure has still taken place. On this occasion, I hope that the Minister will come to my constituency.

The second point that I want to raise relates to a site at the junction of the A46 and the A6—the road that leads from Leicester to Nottingham. It is a large landmark site that has been occupied for more than 60 years by GE-Thorn. One in every two light bulbs in Europe were once made on the site. A decision was made last year to close GE in Leicester, after it had operated there for more than half a century, resulting in more than 400 employees being made redundant. At the time, the local people accepted that the proposed redundancy package was quite impressive, and although they wanted to keep their jobs, they were happy to go along with the package on offer.

My concern relates to the fact that the site has remained empty, and that GE has no plans to market it. It is an important local community resource, and I am worried that it will become derelict. The company replied today to my letter of 15 November—I do not know whether it knew that I was going to raise the matter in the House today—to say that it would look into the marketing of the site. I hope that it will do so quickly, so that the site can be used for housing or other amenities for the people in Rushy Mead. I know from discussions that I have had with Ross Wilmot, the leader of the city council, that he is keen to ensure that something is done about the area.

My two final points concern national issues. The first relates to the announcement made today in a written statement by my hon. Friend the Minister for Borders and Immigration concerning the proposed changes to visitors visas. I was watching a parliamentary programme last week when I saw the Deputy Leader of the House of Commons jump up to the Dispatch Box to reply to an hon. Member who was complaining about the number of Government announcements being made to the press before they were made to Parliament. She replied that she had no examples of that happening, at which Mr. Speaker said that he had a number [illegible] examples. Here is yet another example. All over the weekend those proposals were trailed in the national newspapers, and they were trailed yesterday on television, yet we have only just had the written statement.

I believe that there are some good things in these proposals, but I am a bit concerned about the proposal to introduce a bond system. We tried it seven years ago and it was not particularly successful, though I appreciate that the emphasis will now be on the sponsor in this country rather than the applicant abroad. That is welcome, but my problem, which other Members will share, is where many people are coming to a very big wedding—as in Leicester, where 20 or more relatives often attend them every weekend—how is the sponsor going to be able to pay for 20 bonds, if they are to be set at the level of £1,000 each? That is a lot of money.

Although I welcome the fact that the Minister for Borders and Immigration has sought so carefully to ensure that there is proper discussion and debate about these issues—the consultation period will last three months—I worry about one or two aspects of the bond system. I hope that the Government will listen to local communities and to hon. Members who have large immigration case loads and hear what they have to say about their experiences. I do not support the removal of the right of appeal. I think that a robust independent judicial appeal system is vital for the success of the visa regime, but I have no particular problems with reducing the length of a tourist visa from six to three months, as three months is plenty of time to visit relatives in this country.

My last point concerns police pay. As the Deputy Leader of the House will know, following an evidence session with the Home Secretary last week, the Home Affairs Select Committee took evidence from Jan Berry, the chairman of the Police Federation and the chief constable of Nottinghamshire, Steven Green. We listened carefully to what the police had to say about the Government's approach to the issue of police pay and I am on record as saying that the Government have

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made a mistake in not paying the full award as recommended by the police arbitration tribunal, from 1 September. I cannot understand why that is not being done, as it is very clear from what we heard earlier today that the 2.5 per cent. is within the budget of every local police authority.

I understand from the hon. Member for Carmarthen, East and Dinefwr (Adam Price), whom I have just met in the Tea Room—I source this piece of information—that the chief constable of Gwent in north Wales has decided to honour the agreement and intends to find a means of backdating the payment to 1 September, which I think is a very good thing to do. However, I should say that the chief constable of Nottinghamshire said that he could not do that because he did not feel that it was legally possible.

Why are the police a special case? It is because for the last police strike, we have to go back to 1918. That is why the law was passed then, effectively preventing the police from going on strike again. They are one of a very small group of public sector workers who cannot go on strike, so if the Government go through a process of arbitration for those public sector workers, it is extremely important that they should be bound to accept the outcome.

Those familiar with the Home Affairs Committee will know that there are very different personalities on it from the different wings of the various parties, so it is often difficult to achieve unanimity in such a short time. On this occasion, we have had only two evidence sessions, yet at 1 o'clock today the Select Committee unanimously resolved to write to the Home Secretary to ask her to meet the pay award in full. We said that we did not accept that the police were in the same position as other public sector workers, because they cannot withdraw their labour in pursuit of any pay claim. We felt that it was incumbent on the Government to honour the recommendations of the independent tribunal, and we said that this was a question of trust. We need the police to carry out their proper functions.

Members will have received many e-mails and letters from members of the police force who are planning a very big demonstration in January next year to lobby Parliament. I believe that they are also going to Redditch to lobby the Home Secretary in her constituency. This is a problem that we do not need at the moment. The money is there and this Government have had very good relations with the police over the last 10 years. Law and order is at the very heart of our domestic agenda, and there seem to be no reasonable grounds why this claim cannot be paid. I understand and accept the Home Secretary's argument that there must be an overall pay policy, but this will not breach such a policy because the money is, as I have explained, already there.

Let us send a very clear message that we value the work of the police. It is important not only to our law and order agenda but to our counter-terrorism agenda. We have rightly found an additional £15 million to put into counter-terrorism, so it is quite possible for the Government to honour this commitment. I realise that the Minister is not going to stand up at the Dispatch Box and announce that the settlement will be paid in full—if only that were the case! She will not say that, just as she will not say that Cheshire will not be divided or that Mr. and Mrs. Dyke's central heating will be inspected tomorrow. What I would like her to do, however, is to pass my strong message back to colleagues, especially those in the Treasury and the Prime Minister, who I hope will meet the Police Federation shortly. That would be the right thing to do at the present time. As I wish everyone a very happy Christmas, I believe that this provides an opportunity for the Home Secretary to become Mother Christmas.

2.36 pm

Mr. Andrew Turner (Isle of Wight) (Con): On Friday, I met Mr. and Mrs. John Burrell of Godshill, who came to my advice centre with a matter of the utmost concern. The Burrells have been married for 41 years and the family has lived on the Isle of Wight for five years. Sadly, Mr. Burrell was taken ill two years ago, or thereabouts, with renal cancer. His life may be prolonged by use of the drug Sutent. Although Sutent has not yet been approved by the National Institute for Health and Clinical Excellence, it is prescribed in many PCTs—but not on the island. Across the Solent, in Portsmouth and Southampton, and in 60 other primary care trusts up and down the country, Sutent would be prescribed for Mr. Burrell or those like him. There appears to be a real difference between PCTs in terms of treatment available. Some, such as the Isle of Wight, are inflexible and others are more flexible and appear to consider whether use of the drug is appropriate.

The estimated cost for the initial treatment is between £4,000 and £7,000. The number of people on the Isle of Wight who may benefit from Sutent is as low as just two cases in two years, including that of Mr. Burrell. Mr. Burrell has been supported by Dr. Gabi Fritzsche, his general practitioner of Niton, and Dr. Kudingila Madhava, his consultant oncologist based at St Mary's hospital in Portsmouth. Let me quote a letter sent by Dr. Madhava to the PCT, as reported in a front page article in the *Isle of Wight County Press*. Dr Madhava said:

> "As Mr. Burrell is a young patient and has been very fit until recently, he would really be an ideal candidate for this treatment. It would be unfortunate if you deprived him of this newer drug just because of lack of funding."

But despite that plea, Mr. Burrell was rejected for Sutent by the Isle of Wight PCT—a decision confirmed by an appeal panel last week.

Dr. Jenifer Smith, director of public health for the Isle of Wight PCT, said:

> "Our standard practice for new drugs is to use only those which have been approved by NICE. We believe this policy is in the wider best interests of all our patients, and the public, as it ensures we prescribe medicines which are safe, effective and value for money."

In other words, its officers simply give effect to a national policy, whereas other PCTs consider the suitability of the drug for local patients.

The NICE policy makes it clear that local decisions are okay for medicines that have not yet been approved for national schemes, yet that does not seem to be happening on the Isle of Wight. Southampton city and Portsmouth city teaching PCTs confirm that they prescribe Sutent, judging each request on its merits, while the north-east strategic health authority approves it as the routine first and second treatment for 12 trusts. To take Dr. Madhava's words into account, it is hard to see what argument for giving the treatment to

Mr. Burrell could be more compelling. The only conclusion can be that a postcode lottery is affecting the island, to the great detriment of my constituents and their families. Furthermore, NICE is delaying approval in many cases. If no scheme is approved nationally, there is a stalemate when local approval does not come through.

Mr. Burrell is in an impossible situation. One cannot fail to be moved by his plight. I should be grateful if the Deputy Leader of the House could raise the case with the Minister concerned and ensure that an explanation for this state of affairs is provided for Mr. Burrell and his family. Ministers must also ensure that NICE evaluates new and apparently effective drugs swiftly, so that all patients can benefit from them.

2.42 pm

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): Thank you for giving me the opportunity to speak in this Christmas Adjournment debate, Mr. Deputy Speaker.

Christmas is a time for celebration and looking forward to the new year; however, a group of my constituents—the pigeon men and allotment holders of Ryhope—do not have that pleasure. Their Christmas will be very different from ours, because they face the arrival of bailiffs, eviction from the land that they have worked and the loss of the pigeons that they have cared for over many decades, often by members of the same family going back three generations. This brutal and unwelcome Christmas present comes courtesy of a dormant company—essentially a shell company—that does not appear to have any assets other than that piece of land, called Worktalent Ltd, which is based in a Newcastle firm of solicitors called Mark Gilbert Morse.

Mr. Kevan Jones (North Durham) (Lab): Is my hon. Friend aware that Mark Gilbert Morse has form when it comes to persecuting former miners? It is the same company that I exposed three years ago, when it was deducting 25 per cent. of the compensation due to former miners and their families, not content with the massive fees that it was already being paid by the Department of Trade and Industry.

Mr. Kemp: I thank my hon. Friend for his intervention. I am aware of the work that he has done to get compensation for many miners and others. I also have a complaint against the firm with the Legal Complaints Service, because it has refused to correspond with me as an elected Member of Parliament; indeed, it will not even answer the correspondence that I send.

The directors of Worktalent Ltd are Messrs. Gibson, Owen and Mark. Mr. Owen and Mr. Mark are also partners, as well as directors, of the said firm of Mark Gilbert Morse. The company bought the land cheaply—we estimate for around £12,500—a little over a decade ago, and 10 years ago issued an eviction notice against the allotment holders. Those allotment holders fought a brave and honourable campaign. They won support locally, nationally and, as it happens, internationally, including from many Members of Parliament, such as my hon. Friend the Member for Sunderland, South (Mr. Mullin). The allotment holders also successfully lifted the eviction, and in the process managed to get one of their pigeon crees—a north-east colloquialism for what people often know as pigeon lofts—recognised as the world's only grade II listed pigeon cree. I understand why we list many of our great stately homes, but working people's culture and heritage ought equally to be celebrated, so it was a great tribute to the men to achieve that.

The company has now come back at the men and commenced proceedings to have them evicted. The company has offered them financial inducements if they assist in having the crees de-listed and in securing planning permission. The men—and some women, too—are not prepared to do that. I met with them last Saturday. The company's offer was rejected 22-nil, despite the great stress that the men are under— four of the men have had heart attacks in the past few months and one has had a stroke. Although there will be many reasons for their illness, part of the reason has to be connected with the anxiety that they feel.

Simply put, the men are not prepared to sell out for financial inducement. They might not have very much—many of them are redundant miners or shipyard workers—but they know the value of community and the value of working with children in local schools. To those men, that does not come in bundles of pound notes; it comes from what they feel in their hearts. The land is essentially worthless: the city council does not consider it acceptable to grant planning permission for alternative use and it has a grade II listed building on it. The land has no real value other than what it does now. The reality is that the company—this shell, dormant firm—took a punt. It bought a piece of land hoping that it would receive planning permission, but it did not count on the fight that the men would put up. They are men who have dug coal and built ships, and they do not threaten easily.

The men's greatest fear is not the arrival of bailiffs over the Christmas and new year period; rather, it is being denied access to the land in order to feed the pigeons that they care for. I will pursue animal welfare legislation if the men are denied access, in respect of the health and welfare of the pigeons on site. I will also contact the appropriate authorities today, including the police, to make it perfectly clear that anyone found responsible for any damage done to that grade II listed building will face a custodial sentence, as is the law of the land.

Despite everything, there is a way forward. I urge the company to accept a proposal that will be made today. Specifically, I urge the Sunderland property developer, a Mr. Russell Foster, whom I believe to be behind the company—people might ask why I believe that; the answer is that he has told me as much and that the company secretary, Mr. Owen, admitted in a conversation that was taped by the BBC that the company was Mr. Foster's—to accept a generous and imaginative offer that will be put forward today by Gentoo Living, the community arm of the former Sunderland housing group, and supported by the city council. The offer is to purchase the land, so that it can continue to be used as allotments and so that the work done with local children, who come in and work with the men, learning how to grow food and how to tender and care for pigeons, can also continue. That would be the best and most realistic outcome to the problem

I have pledged to my constituents that I will work as hard as I can to ensure that, whatever happens, the building will never be de-listed and that the view of the

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city council on not granting permission will be upheld. The company has an opportunity to make a profit from the land that it got or, in these final days before bailiffs arrive on the Ryhope allotments, to consider carefully what is a realistic and imaginative offer to the company and to Mr. Russell Foster. I do not believe that the company, or Mr. Foster, wish to be remembered for eternity—to have as their lasting epitaph in Sunderland and in the north-east; indeed, throughout the whole of Britain—as the company, and the men, who evicted pensioners over Christmas and the new year from the land that they love.

These men do not ask for a lot in life; they do not cause any trouble to anybody. They simply get up on a morning and go down to this land to grow food and tend to their pigeons. In 2007, it is not unreasonable to demand that we should try to deliver that to a group of people who contributed a great deal to this country economically. The choice is on the table if the company wishes to accept it; otherwise, it will live with the reputation of being behind a callous and unnecessary act that communities in the north-east will never forgive or forget. I ask the Minister to convey that message to all the Departments that are relevant to the building's listed status.

Let me end by thanking all Members of this House. I was genuinely encouraged by the fact that the early-day motion in support of the Ryhope pigeon men was signed not only by Labour Members but by Conservative and Liberal Members and by Members from the smaller parties. I was very grateful for that, and I know that the men would like to convey their thanks to the House for the support they have received. I ask the Minister to convey what I have said to the relevant Departments, including the Department for Culture, Media and Sport and the Department for Environment, Food and Rural Affairs, as well as those responsible for planning.

2.51 pm

Mr. Patrick McLoughlin (West Derbyshire) (Con): I start by congratulating my hon. Friend the Member for Isle of Wight (Mr. Turner), who, as we all know, had a very serious stroke some time ago. In his speech, he showed that he is still a robust spokesman for his constituency on the island despite recovering from that serious illness. Many of us are very pleased to see him here making those contributions.

This is one of those occasions when we can range over a wide number of issues, but there is often a consistency between our speeches. Several hon. Members have referred to post office closures. We have gone through several under this Government and although I accept that post offices close at various times—they always have and they will continue to do so—the lengthy uncertainty that has been experienced by the Post Office and the post office structure is something of which the Government should be ashamed. Initially, we were subject to the urban reinvention scheme, which led to four of our five post offices in Belper being closed, and now we have the rationalisation scheme. The right hon. Member for Enfield, North (Joan Ryan) talked about consultation. I have just gone through such a consultation on post office closures, and I think that we need a new definition of that word. I am reminded that I am in the House of Commons, so I will not repeat some of the words that I have used to describe that supposed consultation process in my constituency. I think that consultation now means, in effect, "This is what we're going to do—give us your views and we'll ignore them." That is exactly what has happened as regards the post office closures that have been confirmed in my constituency. Elizabeth Hoosley, who runs the post office in Marston Montgomery, will be closing her business after providing a service to that village for 42 and a half years. She is not somebody who is there to make a profit, but somebody who is providing a service to the community, yet that post office has been earmarked for closure. The same applies to the post office in Kirk Ireton, about which the most representations in my constituency were made. Again, those representations were completely ignored by the Post Office and the closure has been confirmed. The Government need to consider the whole process much more carefully and consider whether they should continue with it.

Mr. Nigel Evans (Ribble Valley) (Con): Does my hon. Friend agree that many postmasters and mistresses feel so browbeaten that their morale is at a low? That causes stress not only to them but to other people who now also fear losing their post offices. In the case of some of them, their morale has dropped so much that they rather wish that they could get away from those businesses. We should be praising them for the work that they are doing, not threatening them with losing their jobs.

Mr. McLoughlin: I am grateful to my hon. Friend for that observation with which I agree. He is right to emphasise the general frustration and uncertainty felt by those who run post offices in areas that have not yet been subject to the process and who have been waiting for a long time to see what will happen to them. That is regrettable.

The Minister probably knows my constituency and its terrain better than most, because she attended Lady Manners school in Bakewell—a fine school. Let me therefore raise with her another issue that is causing a great deal of concern. We have a fantastic community bus service that operates in Bakewell and Ashbourne. It is vital, in rural and spread-out communities that do not necessarily have the access to public transport that is available in urban areas, that community buses, which provide a first-class service to people in remote villages, are not put at risk as a result of the Government's scheme to extend free travel to all pensioners as from next April. I accept that the Government would not want that to happen, but that could be the unintended consequence of the legislation for community transport. I have written to the Secretary of State for Transport, and I hope that she can reassure me that my worries are groundless.

On 3 December 1997, I had an Adjournment debate in the House on the issue of Blackdale quarry. On 24 October 2006, I had a further Adjournment debate on the same issue in Westminster Hall, when I raised with the relevant Minister the problem that we were having with Blackdale quarry on Longstone Edge. That is an area of outstanding natural beauty in the Peak District national park, which is visited by more than 20 million visitors every year—far more than the millennium dome ever got, yet it receives far less money than the dome cost even to maintain after it had closed. One of the problems has been uncertainty about certain regulations. Last October, the Minister assured me, as he came to the end of his description of one of the problems:

> "That is the Catch-22 we are in.
>
> The situation is clearly unsatisfactory, but the Department for Communities and Local Government, which is responsible for mineral legislation, fully appreciates that. It is preparing to consult on new regulations which, among other things, would provide a sanction—exactly what the right hon. Gentleman inquired about—to ensure that outstanding environmental information is provided and new conditions can finally be determined."—[*Official Report, Westminster Hall*, 24 October 2006; Vol. 450, c. 404WH.]

Although we were promised that consultation more than a year ago, nothing has happened. The Secretary of State said to me in a recent letter that the process had stalled. At the same time, a large amount of money is being spent by the Peak District national park on taking all this through various inquiries, with two High Court cases so far and another one planned next year. In fact, this case has been going on for more than 10 years. The amount of public money that has been expended over that period on this one particular site is astronomical, let alone the annoyance felt locally about the determination of the site. Although we have a planning Bill before the House at the moment, it in no way helps in this current situation. The Government seem to want to push forward, understandably in certain cases, to ensure that we get speedier planning determinations. This planning case, which has been going on for more than 10 years already, shows no sign of coming to a conclusion. Therefore, I urge the Secretary of State to ensure that the consultation on that particular area of legislation is brought to a conclusion very quickly.

Another example of where we are still waiting for the Government after they have promised to act is off-road regulations. The whole subject is a nightmare. The latest news from the Green Lanes environment action group is that the enforcement authorities—the police, county councils and national parks—are hindered because they have been expecting the publication of DEFRA's guidance version 5 for many months. It has not yet emerged. That is another example of where delays in regulations and in the Government deciding the right way forward are costing money and inconveniencing people, with all the associated problems.

John Bercow (Buckingham) (Con): I am following the thrust of my right hon. Friend's argument. Is he suggesting that the Government have still to lay regulations before the House? If that is so, the situation is potentially very grave indeed, for, as he will be aware, the Government now do so in two main tranches a year: once shortly after October, and then after April. If he has to wait until after April, it is going to be a very vexing and tedious matter indeed.

Mr. McLoughlin: On the first issue, I am waiting for the Government's guidance, as opposed to regulations, because guidance helps the authorities to know which line they can take. I am waiting for the consultation to end and to see how the Government will move forward on that difficult planning issue. On the second issue, it is more about the regulations.

One of the issues that we do not seem to talk about often these days in the House is agriculture. Agriculture is essential in my constituency. As I said, a fair deal of my constituency is covered by the Peak District national park. The problems that the beef and lamb industries face are absolutely phenomenal. In the financial year ending March 2007, the average beef producer lost between £94 and £430 per head, and the average lamb producer lost between 65p and £36 a head. It is far worse for upland farmers. There is a real crisis. Although there are some areas of the industry where it looks like the worst is over and there is some hope, the beef and lamb industries are still facing serious problems.

I cannot remember the last time we had a debate in the House on agriculture. The Government used to provide an Adjournment debate on that subject, but I cannot remember the last occasion when the Government did that. There was an Opposition day debate on the problems faced by the farming community following the outbreak of diseases such as foot and mouth and bluetongue, but we have not had an agriculture debate in the House for some time. I urge the Deputy Leader of the House to consider that as one of the future subjects that we should talk about.

We are fast approaching a situation where everyone will again be notified of their council tax increases. It looks like the Government are saying that they anticipate council tax going up by perhaps 4 per cent. or something similar. It is amazing how the Government are prepared to say that council tax should go up by 4 per cent., yet they set an inflation target of 2 per cent. I wonder why there is such a difference. Why do they allow councils to set their council tax increase 100 per cent. higher than their own inflation target? Many older people in our constituencies only get a 2 per cent. increase in their pension. The fact is that, over the past 10 years in Derbyshire Dales, we have seen council tax increase by 91 per cent. and in Amber Valley we have seen it increase by 87 per cent. That most affects those people on fixed incomes. It is the greatest cause of concern for them. For the Government to accept that council tax rises should be almost double what they anticipate inflation being is not acceptable.

If the Minister cannot today answer the questions that I have raised, particularly on the planning issues—I accept that she has to be briefed on every subject under the sun—I hope that she will take the opportunity to raise them with the Secretary of State, and that I will get a reply in due course.

3.4 pm

Jim Dowd (Lewisham, West) (Lab): I am delighted to have the opportunity to raise a couple of matters of particular concern to my constituents, although they have wider implications across south London. If I have time, I will refer to a third matter.

Earlier this year, I secured an Adjournment debate on the future of Network Rail services into London Bridge station following the welcome and long overdue extension of the East London line through my constituency to Crystal Palace and West Croydon. I do not intend to reprise the whole of that debate now, but I will make one point that I made then. The London borough of Lewisham has the highest proportion of residents who work outside the borough of any of the London boroughs. Therefore, the public transport links into and out of Lewisham are crucial to my constituents and others.

[Jim Dowd]

I sought in that debate to get an assurance that current Network Rail services would be augmented by East London line services and that there would be no cut in the current level of service, which is already extremely overcrowded. Although everyone welcomes the extension of the East London line and the extended opportunities that that will give for changes in travel patterns, on many occasions people cannot even get on the trains that go through the stations in my constituency. The frequency does not matter if by the time they get to Honor Oak, for example, they cannot get on the train. I sought a number of assurances, which the Minister was not able to give in full. However, the Minister certainly made some welcome comments.

Since then, the route utilisation study for south London has been concluded. Such studies are taking place throughout the country. I am sure that they are taking place in the constituencies of many Members present. The route utilisation study for south London has been published for consultation. The outline draft is before us. It is necessarily a weighty document: it is well over 200 pages, it is very technical and has numerous charts, graphs and tables. It will form the background not just for the extended East London line in 2010 but for the franchise renewal, which comes up in 2009.

The franchise is currently held by Southern. I do not know whether it will be successful again. I do not even know whether it will tender. I suspect that it will, which will be good news for people in my constituency, because it took over from the late, lamented Connex, which had the franchise taken away from it. Services have improved markedly. As I say, there is huge pressure in my constituency on the rail services going south on the loop line into London Bridge and Victoria stations.

The route utilisation study is not readily comprehensible to those who do not understand how railway timetabling is done. During the Adjournment debate earlier this year, I mentioned a few community groups in my constituency. I pay tribute to them again for the work that they have done in trying to interpret the implications of the options outlined in the study. However, I have concluded that the reasoning in that was at variance with my own and certainly at variance with the various undertakings and assurances that I was given by Network Rail, Southern, Transport for London and the Under-Secretary of State for Transport, my hon. Friend the Member for Glasgow, South (Mr. Harris), who is responsible for rail, and his officials. There seems to be concern in the constituency that services into London Bridge station will be reduced from eight trains to six during the rush hour and that loop services between London Bridge and Clapham Junction into Victoria will be abolished.

I was therefore delighted to receive an e-mail from Network Rail. I will read part of it because I would like to get it on the record to reassure my constituents. It says:

> "Network Rail has some concerns about a number of factually incorrect comments about the South London RUS which are currently in circulation and which may be causing…unnecessary worry.
>
> Some of the issues which concern us, and which we would like to clarify are as follows:
>
> It is not true to state that 'the draft RUS would result in a 25 per cent. cut in existing Sydenham Line peak period services to London Bridge. The draft RUS proposals for December 2009 would in fact:
>
> Result in exactly the same number of trains as today from Sydenham/Forest Hill arriving at London Bridge between 0700 and 1000 on weekdays"

and

> "Result in an increase from today in the number of trains from Anerley, Penge West, Honor Oak Park and Brockley arriving at London Bridge between 0700 and 1000 on Weekdays".

It goes on:

> "It is not true to state that the draft RUS proposes an even greater cut in off-peak services from Sydenham to London Bridge. The draft RUS makes no comment whatever on the level of off-peak services to London Bridge. It is also not true to state that the draft RUS proposals will result in the loss of the loop line service to Clapham junction and Victoria."

I was very heartened to receive that from Network Rail and obviously my constituents will be pleased as well. However, the proof of the pudding will be when the East London line arrives in 2010.

The utilisation study is out for consultation and should be finalised by March. It then goes to the Office of Rail Regulation and finally to the Department for Transport. I hope that all the bodies involved will process it in exactly the way that Network Rail intends and that the East London line in 2010 will be a genuine and very welcome addition—particularly to someone who has been campaigning for the extension of the East London line for 35 years—to the area and to the people of my constituency.

Another recent consultation, which was published only yesterday, is called "A Picture of Health" and is a joint venture by Bexley, Bromley, Greenwich and Lewisham primary care trusts, with the involvement of West Kent PCT. The study is looking at the acute sector within south-east London and outer west Kent. It has been augmented by Sir George Alberti, head of the national clinical advisory team. It is called, rather mistakenly in my estimation, the outer south-east London study. That is something of a misnomer, because University hospital, Lewisham is certainly not in outer London. However, it seems easier to deal with it in that way, rather than looking to the west and north to St. Thomas's and King's.

The great advantage of the variety of proposals that the study makes is that they are clinically led. A number of them—intermediate and hospital-based home services and urgent care centres—make admirable sense and the sooner they are advanced, the better. Many of them are not new and have been suggested for many years. However, the PCT and its predecessors were unable to put a funding framework in place. I hope that urgent progress will be made.

Many of the proposals deserve praise—as the consultation was published only yesterday, this is an early opportunity to make my views known—but some options should be ruled out immediately. Any suggestion to relocate the excellent paediatric facilities at Lewisham—a regional centre offering care of the highest quality—would be a severe mistake. There is no need to do that and, as the phrase has it, if it ain't broke, don't fix it.

Any suggestion that the accident and emergency facility at Lewisham should be downgraded or modified is completely misplaced. If it were not there, there would be nothing between St. Thomas's, King's and Farnborough to the south and Woolwich to the east. That is entirely unacceptable and would result in great dislocation. Hardly any of my constituents—hardly anyone in Lewisham—would use Woolwich and Farnborough and the pressure already on St. Thomas's and King's would simply be increased. The A and E at Lewisham is regularly busier than at King's, a hospital with three times the number of beds, and is occasionally busier than St. Thomas's. It would be an act of utmost folly to downgrade or modify it. I look forward to the consultation and hope that it will be to the benefit of everybody across south London.

Finally, I want to refer to an internet service provider that is failing to provide. Many right hon. and hon. Members will recall Freeserve, which was the dominant provider of internet services. In the end, it was acquired by Wanadoo and then went to Orange. During that time, people kept their e-mail addresses but were provided with services by Wanadoo and then by Orange—until a few months ago. This matter only came to my attention over the weekend.

Orange was taken over by France Telecom. I am sure that this has nothing to do with the fact that it is France Telecom, but surreptitiously and without warning long-established e-mail services are being disconnected. I am not even sure whether the company has the legal right to do that, because, effectively, it is taking people's information or data and refusing them access to it. One can still send e-mails to the address that Orange has now blocked. People send mail in all good faith, assuming it has got through, but it has not, simply because of the capricious and disgraceful actions of Orange.

I know, as many hon. Members do, that Orange has a sophisticated lobbying organisation. There are many sessions for Members to discuss issues. I have been to a few and Orange is very generous with its hospitality; one can go out on the Terrace at its expense. Orange should take into account the fact that people have a right to be told, if nothing else. People may let Orange put them on to a new contract to screw money out of them—that is what these organisations do—but it is plain stupidity not to tell them what is going on. It should end this reprehensible behaviour as soon as possible.

5.16 pm

Sammy Wilson (East Antrim) (DUP): Madam Deputy Speaker, may I wish you and the staff here in Parliament a very happy Christmas—not winterval, winterfest or Xmas, but Christmas? I hope that the Minister will tell her Government colleagues in Departments where there may be a tendency to follow the terms that the politically correct mob would foist on us that this House would like to see Christmas referred to by its proper term and not by these other names. I am sure that those of other religions—in this House and outside—do not take offence at the fact that we use the term Christmas around this time.

I want to raise a matter of great concern to people in Northern Ireland. Much of the time during the past Session was taken up, quite rightly, with the Government proposing legislation and regulations and providing reports on the war against terror. All of us support the Government in their actions. In Afghanistan, Iraq and other parts of the world, the Government are conducting their war against terror but, in a most despicable example, they have ignored the state that has been the greatest sponsor of terror with the greatest impact on people in the UK: the state of Libya.

For many years, Libya sent arms to, financed and trained the IRA, which carried out acts of terror not just in Northern Ireland, but here in Great Britain. Many at this Christmas time mourn loved ones and are still living with the loss of limbs and livelihoods as a result of the terrorism sponsored by the Libyan Government over the 1970s, 1980s and into the early 1990s. The IRA campaign of terror could not have been sustained without the support of the Libyan Government.

In 1992, the Chief Constable of the then Royal Ulster Constabulary gave an intelligence estimate of the weaponry that had reached Northern Ireland from Libya. He catalogued it as 6 tonnes of Semtex; 1,500 AK rifles; three heavy machine guns; 500 handguns; 20 SAM missiles; 50 RPG-7 rocket launchers and 10 flamethrowers. Some of that Semtex was used in the most cowardly and dastardly terrorist actions committed during the troubles in Northern Ireland. That Semtex was used in a bomb at the war memorial on the November Remembrance day when 11 people were killed. It was used to blow up a bus near the Ballygawley roundabout in which eight soldiers died. It was used in the attempt to blow up the Cabinet in Downing street in 1991, and it was used in at least 250 booby-trap bombs, many of which led to loss of life and all of which led to the loss of limbs. Many shipments were intercepted. It is estimated that 200 additional tonnes of weaponry were on the three ships—the Claudia, the Marita Anne and the Eskund—which were intercepted on their way from Libya to Ireland.

Libya not only supplied arms; it also supplied finance. That has been borne out by Libyans themselves. The head of the Libyan London section confessed that at least £6 million was made available to the IRA by way of suitcases of money passed to IRA couriers in Tripoli. That money then came back to Ireland, was reinvested in property and businesses in Dublin at a time when property was booming, and made terrorism sustainable—it enabled the apparatus of terrorism to be financed through Libyan money.

The Libyans not only financed terror; they also trained terrorists. In "Bandit Country", his excellent study of the IRA in south Armagh, Toby Harnden highlighted a number of the godfathers of terrorism in that area who had been trained in Libya and then returned to Northern Ireland to carry out bomb attacks against the security forces and organise the terror campaign that led to many targets here in London being blown up.

It would not have been unreasonable to expect that the Government, who are committed to ensuring that states that sponsor terror pay for their actions, would have had some urgency in making Libya pay for the years of terror it sponsored in the United Kingdom—terror which, as I have said, has had a far greater impact on individuals in this country than that of the Taliban or al-Qaeda or any of the other terrorist groups that the Government are currently pursuing.

[Sammy Wilson]

There are well-documented precedents of compensation. When WPC Yvonne Fletcher was murdered near the Libyan embassy in London, compensation was sought for her family. When an airliner was blown up over Niger and 170 French citizens were killed, the French demanded compensation and refused to support the lifting of sanctions until it was paid. Rightly, the British and American Governments jointly demanded compensation for the victims of the Lockerbie bombing. But when it comes to victims of Libyan-sponsored terror here in the United Kingdom, rather than making demands for compensation, the Foreign Office has campaigned to have sanctions against the Libyans lifted—it has twisted arms to make sure that they were lifted. The most bitter irony of all is that the Foreign Office has now sanctioned the sale of arms from this country to Libya. According to the records in this House, over the past two and a half years in standard individual export licences alone £50 million-worth of armaments has been sold by the United Kingdom to the Libyan Government, and that country has still not even apologised for the harm and suffering it caused to citizens of the United Kingdom.

I would like the Minister to seek an explanation from the Foreign Secretary and the Prime Minister as to why in a recent letter to one of the victims' groups in Northern Ireland the Government said that as far as they are concerned the case is closed. If war can be conducted against the Taliban and their assets can be frozen, and if we can go into Afghanistan to pursue terrorists, then at least Libya should be made to pay for the harm and hurt it has caused the people of the United Kingdom by sponsoring terrorism in this country for so many years.

I want briefly to raise one other matter. Over last weekend, another three Orange halls in Northern Ireland were destroyed, making an average of three per month over the past year and more than 200 in total since the sectarian campaign began of destroying what are in many places the only local community facility—although they are attached to the Orange Order, they are used by a wide section of the Northern Ireland community. Because of the number and widespread nature of the attacks, it has been virtually impossible for the people who run the halls to obtain insurance. Therefore, many halls scattered around Northern Ireland are lying derelict, burnt out and ruined—and of course every ruined building is an encouragement for those who want to continue such sectarian behaviour to do so, because they can see the highly visible results of what they do.

The Government had promised the Orange Order that if it was not possible to arrange private schemes they would look again at the issuing of Chief Constable certificates, which would open the door to compensation. Currently, to get a certificate it must be proved that at least three people have done the deed—often, halls are in the middle of the country and the deeds are done at night when no one is around, so it is impossible to establish that—or that it has been done by a proscribed organisation, but no proscribed organisation, regardless of how militant it might be, will confess to being involved in such a sectarian campaign. The result is that many of those halls are left empty and derelict.

The Government have not honoured their promise to the Orange Order of some time ago that if private insurance cover could not be obtained they would look at how to ease the way and review Chief Constable certificates. I ask the Minister to establish what has happened in respect of that promise and to ensure that it is fulfilled in 2008.

3.28 pm

Mr. Mike Hall (Weaver Vale) (Lab): It is a shame that my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) is not in her place, because I want to take on her contribution to this debate regarding reorganisation in Cheshire. She attacked the decision announced today to replace the existing seven local authorities—Cheshire county council and the six district councils—with two unitary authorities, and she supports Cheshire county council's campaign to replace those seven local authorities with one unitary authority.

Cheshire county council's campaign has been predicated on the view that that option saves it, which is wrong because it actually abolishes it. My hon. Friend attacked our right hon. Friend the Secretary of State for Communities and Local Government by saying that this decision was hers and hers alone. However, it has been through the full process of government and has Treasury approval, so my hon. Friend is wrong on that account, too. She then tried to portray the decision to create two unitary authorities as costing Cheshire council tax payers money. That is wrong—a two-unitary solution in Cheshire will actually save them money. More money will go into local services, and there is a possibility that the council tax will be reduced.

My hon. Friend then attacked the decision by saying that it was without support. This is where she is being completely disingenuous, because the proposal for two unitary authorities is supported by me and my hon. Friends the Members for City of Chester (Christine Russell) and for Ellesmere Port and Neston (Andrew Miller). To be fair to the hon. Member for Macclesfield (Sir Nicholas Winterton), he also supports it, rather than having a single unitary for the whole county. Moreover, the proposal is supported by four out of the six districts, so it does have support.

My hon. Friend the Member for Crewe and Nantwich went on to say that she was against the proposal because it would prevent three health centres, a new school and a railway station from being built in her constituency. That is absolute nonsense. The primary care trust will deliver health services in Cheshire, the Government themselves, through building schools for the future, will deliver the new school, and I suspect that Railtrack will be responsible for the rehabilitation of the railway.

My hon. Friend said that the proposal would adversely affect national health services in Cheshire. Strangely enough, Cheshire already has two primary care trusts that will fit very comfortably with having two unitary authorities in the area. She then said that the proposal would adversely affect education. As we all know, the delivery of education in the area is devolved down to schools. Cheshire's excellent schools will continue to deliver their excellent services when we have two unitary authorities; I can see no particular problem with that.

My hon. Friend finished by saying that there was cynicism at the heart of the decision to create two unitary authorities in Cheshire. I ask the House to consider this for cynicism. Two weeks ago, we should have had the announcement that we were to get two unitary local authorities in Cheshire. It was delayed. My hon. Friend went to see the Chief Whip and said, "If you go ahead with the announcement, I will resign from the parliamentary Labour party, I will campaign against this decision and I will vote against the parliamentary Labour party on Europe." And we are accused of being cynical. I hope that that puts the record straight, and that this proposal goes ahead with the support of my hon. Friends and of the people in the two areas, which will be better served by having unitary local government than by the current two-tier system.

Having got that off my chest, in the time left I will deal with the two local planning issues that I had originally wanted to start by raising. Both have national implications regarding ways in which I would like to see the law strengthened. In Weaverham, which is a very nice village in my constituency, there is company called Anaconda Investments Ltd. It purchased a plot of land with four existing dwellings, and put a proposal to the local authority to demolish those dwellings and replace them with six houses and flats at three-storey level. Vale Royal borough council, the planning authority, refused that planning application on three separate occasions. It was eventually granted on appeal.

If Anaconda had stuck to the permission that it was given on appeal, I would not be raising this issue now. However, it decided to overdevelop the site, and everybody who has looked at it agrees that it is completely overdeveloped. Anaconda was then told to put in fresh submission—a fresh, retrospective planning application—which it did. The local authority refused that retrospective application. It went to appeal, and the local authority's position on one of the blocks in this development was upheld. That block remains in place. The area is oppressive, and the block in question seriously affects the residential and visual amenity of my constituents Mr. and Mrs. Carter, of 6 Greenwood close. The development is completely out of character with the area in which it is located. The council served an enforcement notice on the company, and that notice is going to appeal some time in the new year.

The problems arising from that development dovetail nicely with those of another development in the green belt in my constituency. A group of Travellers purchased a greenfield site in my constituency, occupied it without planning permission and turned it into a Traveller's site. The local authority, Vale Royal borough council, acted very quickly in trying to get the Travellers removed. The case went to court, and the judge refused to grant the removal and allowed the Travellers to stay. They have, I think, permission to stay until next July, which will mean that they will have been on the site for well over 18 months.

The field in question is, as I say, a greenfield site in the green belt. It was designated green belt in the first review of the Vale Royal local plan, yet a group of Travellers is riding roughshod through the planning procedures. I want the Department for Communities and Local Government to strengthen planning law to give local authorities more enforcement powers to deal with particular planning applications that are granted on appeal, so that they can make sure that they comply with the parameters established on appeal. Where the green belt is breached, local authorities should be able to take effective action to stop that happening. That is an important thing that we could do. It would give local authorities far more power to intervene and would give the courts less power to frustrate our planning laws.

The next important issue that I would like to raise with the Minister relates to the Criminal Records Bureau. A constituent—I shall call him Mr. Smith to protect his identity—applied for a job as a gardener with a company called Peverel Management. The application form asked whether he had any criminal convictions, and he ticked the box marked "No". Peverel did a check on my constituent with the CRB, found that he had two minor convictions and sacked him on the spot. The Rehabilitation of Offenders Act 1974 makes it clear that those two convictions were spent convictions, that my constituent did not have to declare them on his form and that they should not have barred him from employment or brought him the sack.

My constituent could not go to an industrial tribunal because he had not been working for the company for longer than six months. He has not been reinstated, and there is no provision in the 1974 Act to take action against people who breach it by refusing to take account of the fact that a conviction has been spent. The situation is even worse, because the Police Act 1997 says that it is wrong for people to seek information from the CRB in such circumstances—a provision that was also broken. The only thing that the CRB can do is deregister the company that applied illegally for the information. My constituent found himself out of work and the company found themselves completely at odds with the law, but no sanction was taken against it. That is serious, and I urge the Minister to take up the issue with her ministerial colleagues.

I shall finish on a tragic note. On 24 October, two of my constituents, both young boys, Guy Davies and Kieran Coupe, were killed on the M56 in the Murdishaw part of my constituency. Information will doubtless emerge at the inquiry as to why two young boys, who were aged six and a half and seven, were on the motorway at the time of night that they were, but this was a tragic event for their families and for the people driving the cars involved in the collisions. I immediately met the chief constable, the chief executive of Halton borough council and senior management from the Highways Agency. They were all of the opinion that we ought not to have a knee-jerk reaction to the tragedy, and that we should examine the situation to see whether there was anything that we could possibly do.

Two things that I would like done occurred to me. Fencing on motorways is designed to keep farm animals off the carriageway, not to prevent anyone from gaining access to motorways. I would like the Highways Agency to re-examine the safety precaution measures to see whether we can make it more difficult for pedestrians to get on to motorways, particularly where they run through areas of high population density. We must also ensure that the green cross code and road safety issues are taught at even the youngest levels in our schools, and outline the serious dangers involved in very young people finding themselves on main roads and motorways where they ought not to be, as happened in this case. I again offer the families my sincere condolences.

[Mr. Mike Hall]

In the 90 seconds left available to me, I want to raise one other issue: police pay. My right hon. Friend the Member for Leicester, East (Keith Vaz) made a powerful case for the police pay review to be implemented in full from 1 September. He made the pertinent point that each police authority has already budgeted to pay the 2.5 per cent. increase and that we are doing something unnecessary. We have lost a great deal of police good will. They do not have the right to strike, nor do they have access to the other forms of industrial action that other public sector workers can take. They need to be able to have confidence in a pay review body that will deliver them a fair wage for the very serious job that they do. Even at this stage, I urge the Minister to re-examine this issue so that we can ensure that the UK's police officers have a fair wage for doing an extremely dangerous job and for putting their lives on the line. We must give them the confidence that the outcomes of their future pay negotiations will be met in full. If we can do that, we will be able to rest assured that we have got far greater numbers of police than ever before, that they have greater powers to do the work that they carry out on our behalf and that they are properly remunerated for the work that they do. That would be an excellent Christmas present for Her Majesty's police.

3.40 pm

Mr. Andrew Robathan (Blaby) (Con): I was most interested in what the hon. Member for Weaver Vale (Mr. Hall) had to say. I shall not follow him in discussing the reorganisation of local government in Cheshire, but there certainly appears to be scope for some interesting argument between him and the hon. Member for Crewe and Nantwich (Mrs. Dunwoody). We on the Opposition Benches look forward to seeing a lot of that.

In this Christmas Adjournment debate, I wish to raise briefly five points that have huge resonance in my constituency and around the country. It is important that these points get an airing. Indeed, I shall follow straight on from the hon. Member for Weaver Vale and from my neighbour, the right hon. Member for Leicester, East (Keith Vaz), on the question of police pay. I do not know how the Government got into this situation. We have the independent Police Arbitration Tribunal, but the Government, for reasons best known to themselves, have ignored it. The police have been treated very shabbily. I have received, as I am sure most hon. Members have, a huge correspondence, mostly e-mail, from constituents in the police who are extremely upset. I have many issues with policing in this country, including too much time being spent writing up paperwork, and too little being spent on the beat or arresting criminals on the streets. However, the police are hard-working public servants who we expect to put their lives on the line occasionally in our defence. They have received an independent pay award, and the Government should honour it. The Government are behaving very shabbily over this issue.

The independent Police Arbitration Tribunal was set up in 1979 and during 18 years of Conservative Government—not all of them, I admit, were times of loose public spending—the award was honoured. This Government have reneged on the deal, and I am astonished by that. They are unnecessarily provoking huge ill will from public servants for the sake of savings of £30 million. That is not a paltry sum, but it could be considered so in comparison with what they have pumped into Northern Rock. Our police officers deserve better.

Mr. Evans: My hon. Friend says that he is astonished that the Government have reneged on the police pay deal. However, at the time of the last general election, we were told that we would have a referendum on the European constitution. The Government have reneged on that, too. Does he detect a theme emerging?

Mr. Robathan: As it happens, I shall come to that issue, but I do indeed see a theme emerging.

My constituents are concerned about police pay, like everybody else. That is not to say that policing could not be improved or reformed, but I am astonished by the Government's behaviour. The Home Secretary should change her mind even now, because doing so would be for the benefit of the police force and the country.

The second issue is that of post offices, which has been mentioned by, among others, my right hon. Friend the Member for West Derbyshire (Mr. McLoughlin), who is sadly no longer in his place to keep me in my place. The Government have got the whole issue wrong. I used to shadow the post office portfolio. Every post office, apart from a Crown post office, is a small business, run by a small business person. Instead of treating that network as a business opportunity that could be used in many different ways, the Government have consistently—they have done so from the urban reinvention programme onwards—treated it as a problem. Frankly, they would like to get rid of it completely.

I am fortunate in that only one post office my constituency will be closed under the latest programme. It is at Arnesby, and I know it well, as I used to live there. The village is not especially big. It has a pub, a church and a school, but it does not have a shop or great community facilities. The post office is therefore much valued. My colleagues on the Front Bench share my view that the rural post office provides a service that should be married with the business opportunity that it represents. That is not to say that none should ever be closed, but the number of rural post offices around my constituency that have closed in the past 10 years is staggering. That has been to the detriment of my constituents' lives, and I know that the same thing has happened all over the country. The Government and the Post Office need to look again at what they are doing.

Thirdly, I want to raise the question of pensions, and especially of those private pension schemes that have gone bust. People who know Leicestershire will know that many former workers at British United Shoe Machinery were affected by the problem, so I was delighted by the Government's announcement yesterday that they intend to reimburse the pensioners involved. I applaud the Secretary of State for Work and Pensions for finally making that decision, and although I have been here long enough to know that the Government are not absolutely accurate about everything that they put in the public domain, I hope that pensioners will receive 90 per cent. of the pension that they lost.

I have two questions about the Government's actions in this matter. First, how was it that they were prepared to go to court to fight the pensioners' action groups, given that they have just about met the pensioners' demands? Secondly, how much will the deal cost? When we started arguing about this matter in the previous Parliament, we were told categorically that the burden would be huge. The Government said that reimbursing the pensioners could come to as much £15 billion, and that that was unacceptable. We did not agree, so I was puzzled yesterday to hear that the total cost would be between £2.7 billion and £2.9 billion. Both are large sums, but I understand that the Exchequer has already received £1.7 billion, as it had a claim on the pension funds when they collapsed. Therefore, the cost to the public purse is not £15 billion, but £1 billion. That is still an enormous amount, but the Government accept what most hon. Members have said for some time—that they have a moral responsibility to assist people who saved for retirement and lost their pensions through no fault of their own.

The fourth issue that I wish to raise—farming—also has local as well as national resonance. I should declare an interest, in that I have a farm, although I should also declare that I do not make any money out of it. The state of farming remains dire. There have been some improvements, such as in the price of wheat, but we all know that that will cause the cost of food to rise dramatically. Tesco has made some movement in respect of the farm-gate milk price, but the dairy sector remains in crisis.

My constituency used to have a great many dairy farmers, but a huge number of farms have gone out of business. They have either given up farming completely, or they have left the dairy sector because they cannot make a living out of it. They are just about breaking even now, but at one stage they were producing milk at a loss—and one does not need to be a very clever business man to realise that that cannot go on for very long. We need to look at the whole question of how farming is supported. The fiasco of the single farm payment goes on and on, and the Government should be ashamed of it. Other important questions have to do with how foot and mouth disease escaped from the Pirbright facility, and whether that resulted from the cuts made by the previous Chancellor of Exchequer in the funding for the Department for Environment, Food and Rural Affairs and especially for the animal hygiene service, I think, which was in overall control of the Pirbright site.

I want especially to raise the issue of nitrate-vulnerable zones. A huge amount of money will have to be spent on installing slurry pits or bunds on every farm in the country. At best, their efficacy is dubious, but at worst they could have an unfortunate environmental impact on land that we want to improve. The House will know that the current system of single farm payments requires that land is kept in good agricultural and environmental condition—GAEC, for short. Farmers are encouraged to leave vegetation uncut, and especially to leave stubble over winter, as that is good for birds. However, the proposals for nitrate-vulnerable zones insist that stubble is ploughed over the winter so that slurry can be spread on the land. That is a case of the left hand not knowing what the right is doing, so the Government should look closely at the proposals and consider whether there might be better ways to reduce nitrates in ground and drinking water to improve the environment. The current proposals look like a disaster waiting to happen, and I counsel Labour Members that there will be disaster in every constituency that has farms unless there is change.

Finally, I turn to the issue raised by my hon. Friend the Member for Ribble Valley (Mr. Evans). It involves every Member from the three main parties and probably has the support of the two minority parties represented in the Chamber today. At the last election, every Member elected from one of the three main parties stood on the platform that we would hold a referendum on the EU constitution; yet notwithstanding the fact that Giscard d'Estaing, who wrote the constitution, and everybody else on the continent, says that the reform treaty is exactly the same as a constitution, the Government, aided and abetted by the Liberal Democrat running dogs and their new leader, are reneging. They say, "Oh, we didn't mean it". Politicians are told that they lack integrity. I deny that—I hope I have some integrity; indeed, almost all Members of this place have integrity and want to stand by their word. That is important. What will the British public think of those who stand on a manifesto that states, "We will have a referendum on the EU constitution" and then change their mind? It is not acceptable.

I believe in parliamentary democracy and am not a great fan of referendums. However, I stood on that manifesto, and I demand that the Government stick by their promise and that the Prime Minister, who is in charge of the manifesto, sticks by his promise and that we hold a referendum. I hope that every hon. Member who stood on such a manifesto will support a referendum on the EU constitutional treaty.

Mr. Mike Hall: I am grateful to the hon. Gentleman for giving way and for his generous words about my contribution. If there was a referendum, how would he vote?

Mr. Robathan: I should most certainly vote against the constitution, but that is not the point. The point is that I promised my constituents that I would support a referendum on the treaty, as the hon. Gentleman promised his constituents—unless he had an opt-out.

Mr. Hall: It was not about the treaty.

Mr. Robathan: If the hon. Gentleman asks anyone in the Chancelleries of Europe he will discover that everybody thinks that it is.

If we want to restore the public's faith in this place we must stick by our promises, and I am astonished to see that the Prime Minister seems to have lost his moral compass in this case. I do not know whether he will find it, but I hope that everybody will bear these points in mind when it comes to a vote. We said that we would have a referendum, so we should have one and fulfil our promise to the British people.

Madam Deputy Speaker, I wish you, everybody else in the House and all the servants of the House—the Serjeant at Arms Department, security personnel, people who work in the kitchens and the cleaners—a very happy Christmas.

3.53 pm

Dr. Ian Gibson (Norwich, North) (Lab): I agree with the last point made by the hon. Member for Blaby (Mr. Robathan) and disagree with almost everything else he said, although I do not have time to go into it—*[Interruption.]* Happy Christmas.

[Dr. Ian Gibson]

I have lived in Norwich in Norfolk for some time, and it is a delight. With its big skies, the Norfolk broads, its beaches, its wildlife, and of course its people, Norfolk is a magical place. It has unique cultural values, with a heritage that goes back to the Romans—people are always turning up Roman towns and coins—which gives us a richness and feel for history that I really appreciate.

Last year we survived floods. We have one railway line between Norwich and London, and I hope the train will be on time tonight, although I doubt it. Last week the *Evening News* described the line as a "fine mess", with signal failures, trees falling on the line, and even greenhouses falling on the line—that takes a bit of believing. There have been suicides, strikes, landslides, the derailment of a train with nuclear waste—unique—and closed tunnels. I can add to that list, with overhead cables and foxes on the line. It is a really exciting Michael Palin whirligig on that trip. We hope that something will be done. The cows on the line are quite appetising: none of them has any kind of disease as far as I can see.

I look forward to the continuing debate on the first academy in Norfolk—in Norwich, in my constituency, on the Heartsease estate. I quote again from the local paper—this time from a member of the public, who spoke of

> "the public being duped at various stages by people who in spite of righteous clamouring have misinformed their way to a position where a character with no educational qualifications is about to take control of an improving school".

He goes on:

> "this vile campaign has been orchestrated from being misinformed at all of the public meetings to seeing children at a Christian Youth Club being given a questionnaire and instructed how to fill them in. Seeing sponsors 'ship' in dozens of people without a connection to the high school to sway the adjudicator."

That has not been refuted, as far as I can make out. A petition was raised on the estate. In the first trawl, over a couple of days, 400 people said that they were against the installation of the academy. There is no question about arguing the principle. They do not want the academy on this improving estate. I hope that Ministers will find time to meet me, and some of my constituents, in the not-too-distant future, before the decision is made.

I want to talk about the consultation on the location of complex needs schools and special resource bases in mainstream schools. That, of course, is the arena of special educational needs. It is often implied that people do not like change and always protest. I guess that there is some truth in that, but in this case people do want change. They want more to be happening and are prepared to get involved, if consulted properly. Norfolk county council is not famous for its consultation exercises, as I mentioned in relation to the academy. People want a genuine consultation.

I have various letters, all saying the same thing in their own way. A constituent of mine, talking about her granddaughter, says:

> "She had spent three years at a mainstream school and it became quite obvious that in spite of the best efforts of teachers and support workers this was not the right placement for her. During this time she was unhappy, isolated from her peers, had severe behaviour problems and was showing little progress. She is now a confident happy child, behaviour problems greatly diminished, is learning literacy and numeracy skills and enjoying all the curriculum has to offer. She has a circle of friends that she can relate to and is able to enjoy out of school activities with. We have been very impressed with all Parkside has to offer and were expecting this to continue for the remainder of school life thus giving her the best possible chance of an independent adulthood."

That is reflected in the views of many other people who have written to me.

The school is in central Norwich. It does a good job and is hugely oversubscribed. We need more schools like Parkside in Norfolk. Some children have to travel one and a half hours to the school from parts of north Norfolk. Why do we not have some sense of adventure and some ideas from the county council about developing a school in the northern half of the county? It is said that children who are at the school already will probably stay there, but that will happen only if the school is not closed, following the amazing consultation denoted by the glossy document that I have in my hand. My constituent went on:

> "I realise the consultation is in its early stages"

in fact, it finished last week—

> "but the questionnaires sent out for parents have been cleverly worded as usual. There is no room for comments and there appears to be no opportunity for a school such as Parkside to retain the status quo."

Parkside is a unique school for children with mild to moderate difficulties. Changing its remit to complex needs will completely change the school. Reducing the numbers will result in a loss of teaching staff and an inability to follow the curriculum in the same way. Many Norfolk schools are merely satisfactory, or are described as inadequate. Parkside is not one of those. It has an excellent Ofsted report. I cannot see why the county council would even consider changing a school that has such a success story. The council lacks foresight and an understanding of the problems.

There are various ideas in the document, and people are supposed to choose between them. Alternative options are presented, yet there is no mention of the Bercow or Ofsted reviews, which it is hoped will radicalise the whole field. Moreover, we have plenty of evidence that the teachers have not been involved in the process every step of the way.

We have already heard about cynicism today, and in this story there is a final point to be cynical about. We find that long after consultation has taken place on the academy, it has suddenly been decided that autism is a new issue, and some autistic children could be placed in that academy. It turns out that the person working in the county council who has made that decision is greatly pro-academy. I think that he is running the whole campaign on children with special needs.

Amazingly, we are told that Norfolk has few children in special school places. While the population of Norfolk has risen over the past 10 or 15 years, the number of special school places has not. We can talk about statistics, but the true figures have never been looked at. Despite Norfolk's increasing population—it will continue to grow, with increased housing and so on—the number of young people who will have autism, Asperger's and other special needs has never been determined. We will see new illnesses and diseases unfolding, so more children will need special care and attention in our schools. All those emotional and behavioural difficulties are being sidelined. Mainstream schools cannot cope with some of those problems, yet schools such as Parkside, which I have visited, are amazing. They have turned things round and given people a start in life that will, I hope, allow them to get jobs at the end of the day.

I do not believe that Bedfordshire can possibly have as many as four times the number of children with special needs as Norfolk. If anyone wants to change anything, they should get the true figures before they start the consultation. The document shows that the same number of children will be catered for, albeit spread around the county. The consultation might show that there is some sense in taking some children out of the middle of Norwich and sticking them out in the west of the county. For example, it is important to cut down journey times and to have a good local school. However, we would not be dealing with the problems, which would be shovelled aside into people's houses. An amazing, and scandalous, number of carers in Norfolk look after not just the elderly, but young people who cannot get into the special schools.

We must talk to head teachers, staff and parents before the consultation results come out. There is an impression that far too often, the view of Norfolk county council is that everything has been decided and—to heck with the consultation—it will happen. The exercise excludes many of the key issues. It puts good schools at risk and does not consider future needs. Norfolk's managerial system has a lot to learn from Alex Ferguson, who, for all his ways, is a great manager who gets things done successfully. Without vision, the people perish—and we are sitting on the edge of a volcano when that could happen to the many dozens of young people who require a specialist influence in their schooling at such a critical stage of their lives.

4.3 pm

Stewart Hosie (Dundee, East) (SNP): The Barnett formula concerns funding for the Scottish Parliament, Wales and Northern Ireland, and it has an impact on everyone in those nations, and in the Province. I wish to raise the subject because although the Barnett formula has been raised many times in the House over the past year—it was the subject of a Westminster Hall debate—and is often mentioned by commentators, the debates and discussions rarely concentrate on the Barnett formula itself. Barnett is used as a proxy, or shorthand, for other issues. It is used as a proxy when people discuss the imbalance in English regional spending, which I shall address. It is also used as a proxy for the West Lothian question, or the English democratic deficit, which is summarised by the ongoing situation of Scottish MPs—mainly, but not only, Labour MPs—voting on English domestic matters when this House cannot have any impact on decisions taken on those same matters in Scotland and Wales.

I do not want to defend the Barnett formula—far from it. It is, after all, designed as a convergence formula, and will, over time, squeeze the amount of money spent in Scotland compared with that spent in England. In the May 2000 document on Barnett produced by the Scottish Parliament, Professor Neil Kay said:

"the Barnett formula restricts the Scottish increase to the same absolute increase as for corresponding English programmes."

In effect, a 4 per cent. increase for an English spending Department would be converted to an absolute sum of money, and when that was applied to the Scottish baseline, which was higher for historical reasons, the percentage increase would be less than the increase in England. It is therefore a convergence formula.

That is important, because it is all that the Barnett formula does. It is a means of allocating spending increases to Scotland on the basis of spending increases in England, but they are not comparable in percentage terms because the baselines are different. The Scottish Parliament has the authority to spend the block allocated, but the Scottish National party and I would prefer it to have the responsibility to set tax rates and collect tax.

I sympathise greatly with those, in the House and elsewhere, who are from parts of England where regional spending is perceived to be much lower than the English average, or significantly lower than the London or south-east average. However, from where I am standing—from the Scottish perspective—because Scotland has been in surplus for the best part of the last 30 years, even if its identifiable expenditure is higher than the average in some English regions, every last penny has in effect been raised from Scottish taxation.

The use of the term "identifiable expenditure", or "net identifiable expenditure", brings us to one of the key flaws in the argument that people use against Barnett. They base their analysis on net identifiable expenditure alone. There is rarely ever a glance at the imbalance in non-identifiable expenditure, which is heavily weighted to London and the south-east, and there is rarely mention of the other side of the balance sheet—the revenue side. To try to put the matter in some kind of context, in 1997, the then Chief Secretary to the Treasury, William Waldegrave, made it clear that Scotland had been in surplus from 1978 to 1995. In 2002, the work of the independent constitution unit proved the same point, explaining that Scotland had had an average surplus for the 20 previous years. Other work was done until only a few months ago by Oxford Economics. It told us that in the last year of its assessment, which was a few years ago, the figures were £9,600 per head in revenue, and £9,600 per head in expenditure. That broadly mirrored our figures for the same year—just shy of £50 billion in, and just shy of £50 billion out.

Even if identifiable expenditure or total expenditure was higher than any UK or English average, there would be no justification for a reduction in Scottish spending, even if the formula for funding were changed, because the spending is fully funded by Scottish tax returns. The bottom line on Scottish spending compared with English spending is that, according to the Library's figures for the last full year in which it carried out an assessment, Scotland spends 41 per cent. of gross domestic product on public spending, while the UK average is 41.3 per cent. That is marginally higher but broadly in line.

The second and more basic flaw that opponents of Barnett make is to assume that different spending priorities are somehow indicative of a subsidy to Scotland. They are not. If hon. Members and commentators outside the House believe that English regions are not being properly funded—as I do—they should ask why, rather than point the finger at the Barnett formula, Scotland or the Scottish Government's priorities.

[Stewart Hosie]

Let us consider why the Government have been unable to invest properly in some of the English regions where there is such a spending imbalance. First, the UK has an enormous black hole. A cumulative deficit of £540 billion is forecast for this year, and the borrowing requirement for this year is £38 billion. That debt was almost wholly built up over the past 30 years, when Scotland has been in surplus. The UK cannot borrow any more without stretching its already taut fiscal rules to breaking point.

Secondly, the Government cannot raise much more tax without people beginning to notice. The total business tax take is up, the total personal tax take is up, and council tax is up.

Thirdly—this will be important in the year or two ahead—the Government cannot get away with hiding hyper-expensive private finance initiative projects off-balance sheet in order to deliver the public expenditure that many hon. Members want to see. In the past three years, according to the July spreadsheet, the taxpayer's liability in connection with PFI projects has risen to £179 billion for £53 billion of capital projects. That is a rise in the past three and a half years of some £55 billion—a rise in liability greater than the total sum of every PFI deal signed before the table was published in July. That route to more investment is finished.

There is an imbalance in English regional spending, but because the Government have borrowed too much, taxed too much and paid far too much for PFI, all that many people—including commentators outside the House—have left to do is to attack Scotland and the "subsidy" that we receive, which is, of course, a myth. Here is the rub: to cut Scottish identifiable expenditure to the English average would increase the amount spent in England by £150 per person, but it would cut Scottish spending by £7.5 billion—a quarter of the entire Scottish Government's budget. That would be a ridiculous thing to do. Fortunately, few people argue for it, but we need to ensure that some of the siren voices that are always screaming about subsidies to Scotland do not get in the way and butcher public provision in Scotland.

As for regional imbalances in spending, it is worth pointing out that the PFI figures show that of the £53 billion for capital projects, £24 billion will be spent in London. Almost 50 per cent. of all PFI deals signed were allocated to London. If hon. Members are concerned about the imbalance of spending in their areas, they might first like to investigate the way in which PFI has been used.

Another factor is damaging the Government's ability to invest: the trade gap. It is very important, although it is a subject that we do not often talk about these days. It affects our ability to invest because the tax take is down. We are seeing a reduction from where our GDP increases should be, because of the trade deficit. The impact of trade on GDP fell by 0.5 per cent. in the years from 2000 to 2004, and by 0.25 per cent. from 2006 to 2007. The total impact in money terms of GDP growth lost because of the trade deficit is approaching £30 billion. In Scotland, at £2.5 billion, that equates to almost £1,000 lost GDP per household in the past few years.

I wanted to get those points on the record today, as this debate provides a useful opportunity to do so. There will be many debates in the next year in which we will consider the economy as a whole, public spending in particular, the impact of Government debt levels and so on.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The hon. Gentleman's point about Scottish MPs, and perhaps even Welsh MPs, not voting on English issues has been made many times. While we still have the Barnett formula, decisions on expenditure on health and education made in England have an influence on Scotland, Wales and Northern Ireland. It is therefore perfectly proper that we should have an interest in those decisions and the way in which they are made.

Stewart Hosie: Yes, they have an impact. Because of the way in which the formula works, if budgets for an English Department are cut, the cuts can be more severe in Scotland, Wales and Northern Ireland.

We know that there is an imbalance in spending, and because of the massive deficits that the Government are now carrying, the potential for more and better investment in England, Wales, Scotland and Northern Ireland is likely to be reduced and curtailed in the next few Budgets and pre-Budget statements. When we look at how we allocate funding in the future, we should look more accurately at how we can move to a position of full fiscal autonomy, rather than being entirely dependent on rises in the English base line and then—certainly in Scotland—being subject to the Barnett squeeze. That would be a far more honest and healthy approach.

Madam Deputy Speaker, I wish you, Mr. Speaker, the other Deputy Speakers and the Officers of the House all the very best for the festive season. I hope that the Minister will tell us when she sums up how the Government are going to rein in the hyper-expensive PFI regime on which they have embarked, so as to free up the cash to ensure that we have not only proper investment in Scotland, Wales and Northern Ireland, but a fair share of investment in the English regions, some of whose spending is considerably less than that of London and the south-east.

4.16 pm

Mr. Gordon Prentice (Pendle) (Lab): I have only one issue to raise this afternoon, but it goes to the very heart of our representative democracy. It is the issue of politicians changing their allegiance and switching parties without reference to the electorate. I know that we live in an era of big tent politics, but I hold to the traditional view that, if someone is elected to represent a particular party and then reneges on that commitment, he or she should stand down. Here at Westminster, over the years, there has been constant traffic between the two sides of the House, but those involved should stand down, resign and stand again.

That is even more the case in the European Parliament, where there is no fiction about people being elected as individuals. There, they are elected on a party list. Of course, people's views change over the years. I have witnessed that here myself; I have seen people's views changing almost imperceptibly so that they end up with a completely different political outlook from the one that they had five or 10 years earlier. With others, however, the change can be so immediate and abrupt as to leave us gasping. I want to talk today about one such conversion.

I want to talk about Sajjad Karim. He is a solicitor and, in 2004, he was the first British Muslim to be elected to the European Parliament. He was helped, supported and fast-tracked by his friends in the Liberal Democrat party, and he ended up in Brussels. Astonishingly, three weeks ago, he decided that he was a Conservative, changing his politics in the way that some people change their shirts. I pondered this matter, and wondered why he might have done that. I reflected on the fact that, in the internal elections in the Liberal Democrat party, Mr. Karim did not come top. The number of seats in the north-west region is also to be reduced as a consequence of the enlargement of the European Union, so cynics might say that Mr. Karim made the calculation that, under the list system in the next European parliamentary elections in 2009, he might not get elected.

Why am I interested in this case? When he was elected in 2004, Sajjad Karim opened a huge constituency office in the shopping centre smack bang in the middle of the biggest town in my constituency, with the Liberal Democrat logo along the top. It was impossible to miss that office. It has been closed for three weeks since the defection, and my prediction is that it will not reopen. It will be reopened somewhere else—perhaps in Cheshire or somewhere like that—but not in Pendle.

I am also interested in Sajjad Karim because of what he did to my constituents, which beggars belief. He treated his employees badly and he was disloyal to his friends and colleagues in the Liberal Democrat party. I say to the Conservatives that he will be an unreliable friend to them. The Conservatives are about to select their candidates for the European elections in 2009 and it beggars belief that someone like Karim could be preferred over a lifelong Conservative who wants to represent the party in Europe.

Karim sacked the people who worked in his constituency office and I would like to say exactly how he did it. He sacked those who worked for him by text message. This is what Karen Ashworth, the mother of one of his staff, told the local newspaper, the *Nelson Leader*, a few days after the sacking:

> "While working on Monday I was horrified to learn that my daughter had been fired from her job. Her employer did not have the courtesy to tell her in person—instead, he simply sent her a text message asking her to pick up a letter from a firm of Solicitors in Nelson. It seems she was only sacked because her employer, Sajjad Karim…had decided to change his political allegiance. My daughter is not a member of any political party and had worked hard and loyally for Mr. Karim. To rub salt into the wound, when I returned home, I found a leaflet from the Conservatives behind my door, asking me to rejoice in what had happened."

It was all carefully planned.

Astonishingly, Mr. Karim told the BBC on 26 November—just a few days after he had decided he was a Conservative—that this was not a "snapshot" decision, as he had been thinking about it for some time. I looked at his website, because I knew that he was a great blogger who had been blogging for years, and found that he was very critical of the Conservatives and the right hon. Member for Witney (Mr. Cameron). It now transpires that he expects the world to believe that he did not write those blogs, which have now been wiped clean from cyberspace. Apparently, it was a disloyal employee who wrote the blogs on his behalf and he had to discipline and sack that employee for inventing them. That is amazing and literally incredible, in the dictionary definition of the word.

As I said, Karim let down his friends in the Liberal Democrat party. Tony Greaves, a councillor in Pendle and a Liberal Democrat peer in Westminster, was Karim's mentor who brought him on as he wanted to see more ethnic minority representation in the European Parliament. This is what Lord Greaves said, which I want put on the record:

> "I would say this is a very deep personal betrayal. He has done this with no discussion at all with people who thought they were friends, and I personally feel very betrayed indeed. The way he sacked his staff"—

my constituents—

> "at his North west office in Nelson without having the courage to tell them face to face is disgraceful. He has not been taking calls from any of us for several days. If this is the way he treats friends and colleagues, the Tories are welcome to him."

He went on to say that Mr. Karim was "despicable". Lord Greaves went off to Simonstone—or wherever Sajjad Karim lives—and I will tell the House what happened. Tony Greaves wrote:

> "The house was full of light and both cars were there. I knocked on the porch door and after a while a small shadow appeared near the door and retreated. I knocked again and no-one came to the door. So I went and stood on the pavement outside and stood looking at the house for about half a minute to see if I could see signs of movement (and so anyone looking outside could see who it was). Suddenly all the lights started going out and the house was left in darkness. I came home."

Lord Greaves retreated to Pendle.

Sajjad Karim has said very critical things about the Conservatives in the recent past. On human rights, he said that they were

> "stripping away…human and civil rights".

In only June, he said about Conservative homophobia:

> "Cameron attempts to paint a glossy image of a gay friendly party in the UK while desperately trying to get into bed at European level with Poland's homophobic Law and Justice Party."

On Kashmir, he said that the Conservatives

> "were trying to make political capital out of the human rights of the Kashmiri people".

He has also said:

> "the Tories have adopted…an untenable position on animal welfare".

On the environment, he said:

> "The public have seen through his stunts"—

the Leader of the Opposition's stunts—

> "and the trust of the Liberal Democrats on green issues has only increased."

Having comprehensively slagged off the Opposition, Sajjad Karim has also been slagging off his colleagues in the European parliamentary group. He thinks that they are lazy and totally useless, and on 10 August he criticised the group's

> "poor efforts in the North West"—

I have a lot of quotations, but I want to get them on the record. He also said:

> "Between them, the three Tory MEPs representing the North West have asked a miserly total of only 18 questions since 2004 compared to the 216 that I have tabled. And they do not fare much better when it comes to making speeches in Parliament with only 29 speeches…by the North West Tory contingent compared to my own 43 speeches."

[Mr. Gordon Prentice]

This is the same Sajjad Karim who is going to join the Conservative parliamentary group. Finally, he left by giving a good kicking to the people who had supported him loyally for 18 years, saying:

> "I am afraid that the Liberal Democrats have lost their way and are no longer a serious force in politics. I am here to serve the people of the North West and I think I can only do that now as a Conservative."

I think that Sajjad Karim is a complete charlatan.

Shona McIsaac (Cleethorpes) (Lab): He suits the Tories.

Mr. Prentice: He does not suit the Tories. When the Conservatives select their candidates for the European parliamentary elections in 2009, I ask them to select Conservatives, not people who switch parties because it suits them. I have said it before, but that kind of behaviour degrades and contaminates our politics. We should not have anything to do with Sajjad Karim. I do not know whether he is a Conservative—only the Conservatives will be able to find that out—but I do know that he has to submit his CV for consideration by the north-west selection committee by 4 January. I hope that that CV is published.

4.27 pm

Mr. Nigel Evans (Ribble Valley) (Con): It is always interesting to follow the hon. Member for Pendle (Mr. Prentice). All I know is that I am a Conservative—always have been, always will be—and that is what is important to me. Also, it would be churlish not to congratulate the Liberal Democrats on having a new leader—one has emerged, Pope-like, this afternoon. The process was a bit like two bald men fighting over a comb; none the less, we wish them well and look forward to the next election, perhaps in another couple of years.

I want to give all hon. Members here a Christmas gift, which is that I intend to speak for only eight minutes. That is the sort of generous guy I am—it costs me nothing, but it is far better to offer that gift than any other, which might have cost me a bit of money. I want to talk about two things before the House adjourns for Christmas, because it is important that we have the opportunity to do so, notwithstanding all the other issues that hon. Members have raised, particularly nitrate zones, on which I hope to secure an Adjournment debate in the new year, so that the Secretary of State for Environment, Food and Rural Affairs can answer that important point.

I am chairman of the all-party group on identity fraud. It has become quite apparent that the money that we ought to be spending on making people aware of ID fraud is not being spent. One of the biggest advertisers in the UK is Her Majesty's Government, who spend a fortune on advertising all sorts of things, telling people how wonderful they are on every issue under the sun. That is not so when it comes to combating ID fraud. We need to invest a lot of money in tackling that. It cost the UK £1.7 billion last year, and it is one of the fastest-growing crimes.

I wish to raise one particular aspect given the time of year. Everybody is busy Christmas shopping, and a lot of people—a record number this year—will be shopping online. When they are online, and busy doing their e-mails as well, they receive e-mails which they believe to be from their bank, credit card company, PayPal, or whatever, and which look authentic, to all intents and purposes. They have all the symbols, and it looks as if they have come from the institution that they are pretending to come from, but they have not—they have come from fraudsters saying, "Your online account has been suspended: please put your user name and password here and it will be reactivated." Of course, I do not know what happens if people do that, because I have never done it. I was alerted to it initially because I was sent one by a bank that I do not have an account with, so I knew that my online account could not have been suspended. However, many people who get one of these e-mails and it happens to be from the bank that they bank with, and who have never come across the concept of phishing, as it is called, may accidentally or in a hurry fill in the details and send it off, and it then goes directly to a fraudster who will attempt to use it to get the money from their account.

Shona McIsaac: I thank the hon. Gentleman for raising this issue. In the past couple of weeks, I had such an e-mail from the bank that I bank with, including the correct logo. I knew that it was a fraud and a scam, but it was so genuine looking that I can see how people get sucked in. He is right to alert people to that.

Mr. Evans: That is part of the problem. I am not saying that people give those details because they are foolish—they do it because they genuinely believe that the e-mail has come from their financial institution, PayPal, or whatever it happens to be. The fact is that those institutions would not send such e-mails.

Sir Robert Smith: I am a customer of the Royal Bank of Scotland, but not through online banking. When I got one of those e-mails, I obviously knew that it was a fraud, but when I contacted the Royal Bank of Scotland so that it could attempt to alert its customers to the fact that that was happening, it was extremely difficult to find anyone who cared about it and was interested in following it up. Does the hon. Gentleman think that the institutions should be more proactive in warning their customers, especially if they have been alerted to the fact that something is happening?

Mr. Evans: Absolutely. The Government should be doing more, and so should the financial institutions. Every statement that they put out should say, "This statement should either be filed away or properly destroyed or incinerated." They should also tell people that in no way would they ask for that sort of information. It is clever little ruse that is being operated, and I can understand why people may be providing this information, so my message would be that institutions will not be asking for it. PayPal tells me that if anybody receives a fraudulent e-mail, it has a team who look to trace it back. That is what all the institutions should be doing, including the Royal Bank of Scotland. They should all have teams of people investing money in trying to track down those fraudsters.

If anybody has filled in one of these things and now thinks that it might be fraudulent, they should get in touch with their financial institution so that at least their account can be flagged up and if there is any unusual activity it can be nipped in the bud. If they are really worried, they should change their account numbers and passwords. This Christmas-time, I would say: "For goodness' sake, beware. Everybody is busy, but we do not want to make the fraudsters' Christmas and ruin our 2008 by being lax and giving our financial information away."

I promise that I will not take the injury time that has been added on, but I want to make a suggestion, also in the spirit of Christmas, about the modernisation of the House. As the topical debate that we have on a Thursday sort of works, and the topical questions certainly work, on a Monday morning we should have, from 9 o'clock to half past 12, a debate in this Chamber entitled "I read it in the Sunday papers—surely it cannot be true". I do not know what other hon. Members are like, but my blood pressure goes through the roof by the time I have got to page five of *The Mail on Sunday*, never mind *The Sunday Telegraph* or all the other newspapers. We read those stories and if there is anyone else in the room we say, "Have you read this? This certainly cannot be true. They wouldn't be doing this, would they?" This Sunday was no different from any other. I had to sit down and have a cup of coffee as I thought to myself, "This story cannot be true."

Sammy Wilson: The frightening thing is that they usually are true.

Mr. Evans: That is why I thought I would throw just a few at the Minister. She can reassure us as we go into the recess that we can have a happy Christmas knowing that all those stories simply cannot be true.

There was a story about prostate cancer in *The Sunday Times*. As Members know, it is one of the biggest killers of men. Ultrasound therapy, which helps to prolong people's lives if it can be used early on, is proving to be very successful. However, although NICE gave permission for that treatment over a three-year period, it has now decided to overturn its own approval and has said that people will not be given that therapy. Surely that cannot be right.

Then there was the cancer patient who wanted to supplement the cancer treatment that she was receiving—I raised the matter today with the Secretary of State for Health—by taking an additional drug that is not approved for prescription. Clearly, that would cost her a bit of money, which she was prepared to pay, but she was then told by the trust that if she did that, she would have to pay for all her drug therapy, which would cost £10,000. Surely that cannot be right.

Brussels has named its first ambassador to Africa, even though the constitution has not been ratified, albeit that part of it provides for the establishment of a diplomatic corps. Nevertheless, Brussels has already announced that a Belgian is to be the first ambassador for the EU in Africa. Surely that cannot be right.

A number of illegal immigrants are now being encouraged to go home, at a cost of £4,000 a pop—£1,000 towards resettlement, and £3,000 towards setting up businesses. People are setting up all sorts of businesses, including beauty salons and ostrich farms. That has cost £36 million to date. If they are illegal immigrants, should they not just be deported? Surely that cannot be right.

I have already breached my promise; I do not want to renege on promises I have made. All I can say is: let us have that debate on a Monday morning, get it off our chests and give the Government an opportunity to say, "It is not right—surely it cannot be right." Happy Christmas, Madam Deputy Speaker.

4.37 pm

Jon Cruddas (Dagenham) (Lab): I will try to follow that. In fact, I want to discuss the issue of financial irregularities, which the hon. Member for Ribble Valley (Mr. Evans) touched on, too, but in a slightly different way.

I want to use this debate to make a number of points regarding the apparent illegal activity and financial irregularities in the internal operations of the British National party. The BNP claims to be a mature political party—some within it argue that it is the fourth national political party—yet the allegations that have come to light over the past few days directly contradict such claims and need to be thoroughly investigated.

For that reason, I wrote last week to the police to request an investigation into claims of illegal spying in the BNP. Today, I have received a 20-page dossier entitled, "Financial Irregularities in the British National Party: An Investigation by Searchlight Information Services", which I will in turn send to both the police and the Electoral Commission following my speech here today.

Today, the far right British National party is engulfed in a political crisis that threatens to tear it apart. On 9 December, the party leadership sacked two of its senior officers amid claims of gross misconduct after they were found to be behind a blog that criticised fellow BNP officials. As a consequence, more than 58 BNP organisers and regional officials have resigned their positions and eight councillors have declined the party whip and become independent nationalist councillors in a show of support for their two sacked colleagues.

Although, like everyone in this House, I welcome those divisions, I would like to highlight some particularly unsavoury aspects to that feud which are unbefitting to any legitimate political party. I believe that much of the behaviour of the BNP leadership is illegal. I am particularly concerned about the following allegations. The first is that the BNP has posted on its website a recording and transcript of a private conversation between the two people who were subsequently sacked. It is the belief of the people concerned that their house, phone or computer has been bugged. In two meetings over the past week—in the north-west last Wednesday and in Leicester on Saturday—BNP leader Nick Griffin is believed to have admitted to some device being used and insisted that he would not hesitate to use such devices and methods in future. The BNP has boasted that this information was gleaned by its intelligence department. This House might be interested to note that this intelligence department consists of former police officers from apartheid South Africa. Some of these men have been linked with the apartheid regime's intelligence services.

Secondly, on Saturday 8 December, members of the BNP's security division, under instructions from leader Nick Griffin, entered the house of Sadie Graham in the east midlands by deception. A second security team attempted to gain entry to the home of Kenny Smith in Scotland, but were unsuccessful.

[Jon Cruddas]

Thirdly, property belonging to Sadie Graham—including her personal computer, bought for her by her father—was removed without consent. This is nothing short of burglary.

Fourthly, the BNP leadership has subsequently been trawling through Sadie Graham's computer and, on Tuesday 11 December, Simon Darby, the deputy leader of the BNP, posted an e-mail found on her computer on his blog. The content of this e-mail was subsequently referred to in an article by Nick Griffin that was posted on the main BNP website. That implies that the BNP leader has been privy to a criminal act.

Fifthly, e-mails sent to Sadie Graham between Saturday 8 December and 10.15 am on Monday 10 December have also been opened and read by the BNP leadership. That, in turn, is a clear breach of the Data Protection Act.

Sixthly, Sadie Graham is a councillor on Broxtowe borough council and much of her council work, including correspondence from constituents, was on the computer. Not only is that again a breach of the Data Protection Act, it puts her constituents at risk and has prevented her from carrying out her duties as an elected councillor.

Briefly, I wish to turn to the issue of financial irregularities. The feud in the BNP is a clash of personalities and competence rather than politics and much of it relates to allegations of financial mismanagement by the BNP's treasury team. I have mentioned that I have a copy of a report prepared by Searchlight Information Services into the financial irregularities in the British National party. Today I wish to put the contents of the report into the public domain. It is this unpublished dossier that I will send to both the police and Electoral Commission. I would like to take a few minutes to outline some of the serious issues that the report raises. Time permits only a brief rehearsal of some of the many points included in the dossier.

First, the BNP's 2006 accounts have still not been submitted to the Electoral Commission, more than five months, so far, after the due date. The BNP's excuses for the delay do not stand up to scrutiny and the long delay suggests that irregularities have occurred.

Secondly, the BNP has blamed one of the expelled individuals for up to £17,000 that has not been accounted for. Whether or not that individual carries any blame in the matter is not the point; it is clear that substantial party funds are unaccounted for.

Thirdly, another former national officer resigned recently, laying various serious charges of incompetence against the BNP's treasurer, and especially against its deputy treasurer, who is responsible for the funds of local branches and groups.

Fourthly, the BNP failed to report a donation of £5,315 in the period from 1 July 2007 to 30 September 2007 in contravention of the Political Parties, Elections and Referendum Act 2000.

Fifthly, BNP financial records were shredded at the home of the party's former national treasurer in 2004.

Sixthly, the BNP has solicited donations from overseas to an organisation by the name of Civil Liberty, which Searchlight considers is merely a front organisation set up to circumvent the prohibition on donations to political parties from individuals who are not registered to vote in the UK.

Seventhly, before the prohibition of overseas donations introduced by the 2000 Act, the BNP raised money in the USA by a method that contravened US law.

Eighthly, there are allegations that Nick Griffin, the chairman of the BNP, has personally brought US donations into the UK in cash.

Ninthly, the BNP attempted to earn insurance commission by means of an insurance entity that was not authorised by the Financial Services Authority, and there were serious doubts whether the activity was exempt from the requirement for authorisation.

Tenthly, there is evidence that the BNP financed its insolvent position in 2006 by a failure to pay sums owed to Her Majesty's Revenue and Customs in respect of pay-as-you-earn and VAT.

Eleventhly, there is evidence in the document that the BNP is not accounting for income tax and national insurance contributions under PAYE in respect of workers by incorrectly treating workers as self-employed, which also deprives those workers of employment rights; the failure appears to be long standing.

Twelfthly, there are allegations that the BNP has paid workers in cash to avoid tax and national insurance contributions and to enable them to claim state benefits.

Thirteenthly, the BNP reassured its auditors that it would continue in existence because of the availability of funds in its so-called regional accounting unit, but it is doubtful that the BNP had any legal recourse to those funds.

Fourteenthly, there is no evidence that the BNP has accounted for corporation tax on profits on its own commercial activities.

Fifteenthly, the BNP omitted to prepare any accounts for the period 1 October 2001 to 31 December 2001.

Finally, the BNP claims to have spent at least £70,000 on printing equipment in 2005 alone, but no such expenditure is shown in the accounts.

In short, what is being uncovered in the internal workings of the BNP appears to be systematic illegality in data protection, bugging, money laundering, theft and the operation of the 2000 Act. That demands a thorough investigation. This is not the behaviour of a legitimate political party, and I very much hope that the police and the Electoral Commission will investigate the charges. The most shocking aspect is that it is being orchestrated by the leader of a political party. The BNP leadership, and Nick Griffin in particular, are showing us their true colours.

4.46 pm

Mr. Mark Lancaster (North-East Milton Keynes) (Con): It is a pleasure, Madam Deputy Speaker, to have caught your eye and to have an opportunity to raise a few constituency matters.

This year marks the 40th anniversary of the birth of the new city of Milton Keynes. We have had a tremendous year of celebrations, culminating some two weeks ago in the visit of Her Majesty the Queen, during which she opened the magnificent new MK Dons stadium, which is a tribute to the hard work of the Winkelman family. Let me start, however, by paying tribute to John Moffoot, the unsung hero at Milton Keynes council, who organised that visit.

Milton Keynes faces many challenges, but the majority of them seem to stem from the Government's desire to force the expansion of the city on its residents. Personally, I have no great problem with the expansion of Milton Keynes; however, I strongly feel that it should be a local decision. For a community to be truly sustainable, it must have the support of local people, and much of the expansion does not. Scant lip service has been paid to the views of local people by the unelected and unaccountable quango, Milton Keynes Partnership, in imposing its will. I have been campaigning for four years now for "I before E"—infrastructure before expansion. If we are to expand in Milton Keynes, it is vital that we provide the infrastructure first. Many of the comments I shall make today are based on the premise that, unfortunately, the Government are simply not providing that infrastructure.

I start on the subject of schools and the desperate news that has been given to Milton Keynes in recent weeks that the Government will massively cut our basic needs allocation for building new schools. That allocation is very much a basic need: it is for the provision of new schools. The cut will result in a shortfall of some £64.5 million over the next three years for our new schools. Already we have identified that we need 15 new schools over the next few years to accommodate the increase in pupil numbers that the expansion will bring. That is one new primary school every year. Let us take as an example Gifford Park, a primary school in my constituency that knows that locally it will have 476 new dwellings, yet because of the cut it will probably not get an extension.

We will also need five new secondary schools over the next few years to accommodate the increase in pupil numbers. Oakgrove is a marvellous new school in Middleton in my constituency. It has already had two phases of extension and is waiting for the third. However, it now has no idea whether it will get the money to extend.

I wonder whether the Minister can offer any advice to my constituents: given that the funding has been cut—some £64.5 million—where exactly does she suggest that my parents send their schoolchildren? At best, we will see kids bussed around Milton Keynes, as we have seen for several years previously. What exactly are we going to do—and what exactly are the Government going to do to make sure that there is no such shortfall?

I turn to another theme affecting my constituency, and in doing so I want to add a few points to those made in early-day motion 317, on the Open university, which is in my name and has been signed by some 210 Members of this House. There are many flourishing businesses in my constituency bringing employment to the area, but one stands out for the scale, quality and uniqueness of its contribution. One of the first coups of the founding fathers of the new town of Milton Keynes was to secure a very special university within its boundaries.

Milton Keynes attracted the fledgling Open university to occupy a major site near the village. Many felt that this revolutionary institution, which harnessed technology to deliver higher education at a distance, simply would not survive. They did not believe that it was possible to enable students to study in their own time, away from the life of a traditional campus, and to graduate on equal terms with students from the best traditional universities. To borrow a cliché, the rest, of course, is history.

I am happy to say that some 38 years later, the Open university is not only one of Milton Keynes's biggest success stories, with more than 200,000 students studying every year. It is one of the UK's best success stories and is emulated worldwide—for example, in the middle east, where its staff helped to set up, and provided the teaching materials for, the Arab OU, which already has 30,000 students. Recently, the Open university has started talking to the Government of China about exploring the benefits of collaboration on open and distance learning in order to meet the huge growth in demand for higher education that China's economy requires.

In Milton Keynes, the OU has played a major role in helping to develop the cultural, scientific and social life of the area. It is an exemplary citizen—a founder member of the Community Foundation, and of the local theatre and art gallery. More than 400 of its staff still serve on school governing bodies or work as volunteers in community organisations and local charities. From next January, the whole university will be involved in fundraising events for the Prince's Trust.

The OU runs a microwave link to local schools in Milton Keynes, enabling them to access a wider curriculum and to link with schools all over the world. It has supported dozens of local schools in setting up and running their own local history projects, in order to give parents the chance to acquire IT skills alongside their children. It has supported Bletchley Park in preserving its computers and cryptographic history, and in making it accessible to the world.

Far beyond Milton Keynes, the Open university has served as a beacon in bringing education to ever-greater numbers of people. It led the world in harnessing the widest possible range of assistive technologies to enable people with disabilities to study on an equal platform with their peers. From its earliest experiments using the latest technology to take education right into people's lives via their TV sets, it has continued to pioneer ways of reaching ever more people in ever more places using the full power of the digital age.

Let me give just a couple of examples. In 2007, the OU's audience includes new migrants in London developing language skills, alongside studying for OU qualifications in health and social care; naval pilots studying for an OU foundation degree in military aviation, alongside their flying training; and upwards of 125,000 teachers in Uganda, Sudan and Nigeria, who are using the OU's learning materials. The OU has rightly been the recipient of a Queen's award for export achievement.

One of the biggest challenges facing the UK economy is addressing the IT skills gap. That is not just because the IT sector is booming, but because all business areas are now leveraging competitive advantage by adding value through IT. More than 70,000 of the jobs advertised in the UK now have an IT component, and the only way to address the gap between the supply of, and demand for, people with appropriate IT and business skills is to upskill and reskill those already in work. The OU is a major contributor in this arena nationally, allowing people to dip in and update their IT and business skills

[Mr. Mark Lancaster]

in line with their job requirements, without the need physically to attend a classroom. Every year, more than 30,000 computing, IT and business course places are taken up by part-time OU students.

The Open university is also a centre for space and other such research. Technology developed for space missions could soon be exploited to provide a cost-effective, rapid and accurate tool for diagnosing tuberculosis. In sub-Saharan Africa, TB, combined with AIDS, is the major killer. The OU is exploring using that same technology to identify the signature of the TB bacterium, and to provide accurate and rapid diagnosis of TB without the need for a specialist laboratory.

The Open university has achieved all that without any compromise on quality. Since the introduction of the teaching quality index in 2005, the OU has topped the overall student satisfaction ratings three times in a row. Under the previous system, it was in the top 5 per cent. of universities for teaching quality. It is a truly remarkable institution and a great British success.

Mr. John Hayes (South Holland and The Deepings) (Con): My hon. Friend is making a strong and spirited case for the Open university. He mentions the early-day motion that he wisely tabled, which has been signed by hon. Members from all parties—this is not a partisan issue. It criticises the Government's decision to stop funding for second degrees and subsequent qualifications. Is that evidence of the fact either that the Government have either misdirected their policy or that it is incoherent, given that they say that they want to broaden access, and to upskill and reskill in the way that he describes?

Mr. Lancaster: Absolutely, and it is indeed strange that the Open university should have been one of the principal victims of a decision taken without consultation either in the sector or with business.

As my hon. Friend says, the decision was taken to remove funding for those studying for courses that are part of equivalent or lower qualifications—precisely those courses needed by the economy, as workers have a higher need to keep reskilling. These men and women who are sacrificing their time to re-educate themselves, in conformity with the Prime Minister's stated aim of lifelong learning—he used to be an Open university tutor—and who mostly remain in work, paying taxes and supporting our economy, are to be treated less favourably than other students. For many, their employer will not make up the lost funding, and for those who are trying to break away from their present career or profession, their employer will not provide any support.

These men and women, who entered university straight from school but who, in mid life, have been out of the workplace for a number of years as parents bringing up the next generation or as carers looking after relatives, are to be denied the chance to find their feet again and to re-equip themselves for the changing world of work by going back to university to study.

Instead of part-time study being favoured because of its economic benefits, it is always the poor cousin. I sincerely hope that the demonstration of support for my early-day motion on equivalent and lower qualifications by 204 Members, from both sides of the House, will have provoked a rethink on this issue. Part-time learning throughout life will be a necessity in our society. The Open university needs our support in order to grow and flourish, and I, for one, hope that the Secretary of State for Children, Schools and Families can make an appropriate new year's resolution.

In the time left available to me, I wish to raise a couple of other constituency issues, the first of which relates to trains. It would appear that Milton Keynes is no longer the first stop on the inter-city route, but is now the penultimate stop on the commuter route. Commuters in Milton Keynes simply cannot understand why, when the Government are forcing our city to expand, little extra provision is being made for our services.

Although we are grateful that the platforms in Milton Keynes Central are being upgraded, I asked the Minister what benefit that will bring to the commuters of Milton Keynes. I received an answer to my parliamentary question, which stated:

> "The enlarged Milton Keynes Central station was justified on the basis that the town could be served by an increased frequency of inter city trains linking Milton Keynes with the north".

That is fascinating, but when we looked at the new timetable, we discovered that the number of direct services to Liverpool had been cut—not increased, as the answer says—from seven to two, and the number of services to the north-west and Scotland had fallen from six to just one. People who want to get on that train must do so at 6.26 am. In addition, I should mention the ridiculous situation whereby trains to Euston will stop to let passengers off at Milton Keynes, but nobody can get on. Not a single inter-city train now stops there during peak hours.

The other issue that I wish briefly to cover is our hospital, which was built in 1984—for the population at the time. Milton Keynes general hospital has expanded rapidly over recent years. It is easy for the Prime Minister to say that every hospital will have a deep clean, but that is not that easy to do in hospitals such as the one in Milton Keynes. It has a high occupancy rate, which means that it has no decant area. Some 32 areas in the hospital have been identified as needing to be cleaned, at the cost of some £8,000 per area, but a dedicated decant area has yet to be identified. The hospital is struggling to find somewhere to enable the deep clean to be carried out. While I am on the subject of the hospital, I should like to pay tribute to the work of the midwives. They are working under increasing pressure, because the birth rate has been increasingly rapid in Milton Keynes over the years.

Mr. Hayes: While my hon. Friend is on the subject of health, I wonder whether he would add his voice to the campaign to draw attention to cardiac death among young people. He has shown great leadership on the issue of second degrees. Will he find time to campaign on such an issue, with his typical flair and assiduity, both in Milton Keynes and here? It is estimated that up to eight young people a week die of early cardiac death. I wonder whether we should be paying more attention to the matter in Milton Keynes and elsewhere, and drawing it to the attention of Ministers.

Mr. Lancaster: My hon. Friend makes a valuable point and I know that he has been a champion of that worthy cause. I would be delighted to pick up that issue, alongside him and other hon. Members.

My final point is on another valuable piece of infrastructure in Milton Keynes, but one that is often overlooked. We are fortunate in having the Grand Union canal flowing through Milton Keynes. There has been much debate in the House recently about the potential cuts for British Waterways that the Department for Environment, Food and Rural Affairs proposes. Some say that the figure will be as much as £30 million, but the biggest impact in my constituency will be on the building of the new Milton Keynes to Bedford extension of the canal, for which there is great support. The extension will finally link the two towns and be the first new canal in nearly 100 years. I pay tribute to John Bint who has been one of the key people in pushing that scheme. It will provide a valuable asset for my area, a green lung and a facility that the growing population will be able to use. However, amid the growing uncertainty over funding for British Waterways it looks increasingly unlikely that the project will get off the ground. It enjoys cross-party support in the town and I simply ask the Minister to take note of my concerns and do what she can to push that valuable project ahead.

5.1 pm

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): I wish to talk today about the changing role and status of women, and the role of Government in addressing those changes. When I consider that when my mother was born women were not allowed to vote, let alone stand for Parliament, it brings home to me how far we have come. It would be a brave man indeed who spoke out today in the House of Commons and said that women's brains were not capable of understanding how Parliament worked and that they should therefore take no part in the political process, but that was common parlance less than 100 years ago.

Despite what women have achieved over the years, there is still a long way to go. Women consistently earn less than men, they lose out when it comes to pensions and they are far more likely to suffer domestic violence and sexual abuse. That is not good enough, not just for women in my constituency, but for those across the country. That is why we need to do more.

I am proud that the Government are working to tackle the gaps in pay, income and assets, and working to break the glass ceiling of opportunity for women. Over the past decade, we have made considerable progress. In my view, one of the most significant measures that the Labour Government have introduced is the national minimum wage. Two thirds of the 1.3 million workers benefiting from the minimum wage are women, and nearly half of those are working part-time. But there are far too many women earning only the minimum wage.

Disadvantaged young women who live in the more deprived parts of my constituency have the potential to achieve so much, but instead they face a lifetime of poorly paid jobs with no prospects. For them, there is only one rung on the career ladder—the bottom rung. Without opportunities to develop skills and get training, the life chances of a girl from a deprived background are massively reduced, as are her aspirations and plans for the future. Young women from deprived communities need new and improved support to develop the knowledge, confidence and skills to get jobs, so that they can work their way off the bottom rung of the career ladder. Although I welcome, of course, the massive expansion in apprenticeships, I would like the Minister's assurance that women will get their fair share of them. Women who have rewarding, well-paid careers will be the best role models for their daughters, so that the next generation can grow up not in poverty, but able to take advantage of the benefits of economic growth instead of left behind.

We also have to consider what happens after work, when women retire. There are more women of pensionable age than men, but only 35 per cent. of women are entitled to a full basic state pension at state pension age, and only 24 per cent. of them are entitled on the basis of their own national insurance contributions. That is the case because when the state pension came into being, the pattern of employment for men and women was very different. During the second world war, women took on many of the jobs that men had done, but after the war, when the state pension was introduced by the Attlee Labour Government, people had reverted, by and large, to the old pattern of a male breadwinner and the woman staying at home to bring up the children. That was the basis of the state pension scheme, with married women being able to opt out even when they were working by paying the married women's stamp.

Of course, that situation has changed drastically, especially in the past 20-odd years. In 1983, only 55 per cent. of women were employed, but now the figure is well over 70 per cent. Even so, for many women the pattern is one of part-time, low-paid work, with gaps for rearing children or caring for elderly relatives. That does not gel with the current state pension scheme, under which people need to work regularly for more than 40 years, with no gaps, before they qualify for a full state pension.

We need the reforms that are being introduced. We need a system that is fair to women whether they go out to work or take time out to look after children or care for disabled or elderly relatives. I am aware that it is not only women who care for others, but it is overwhelmingly more likely that women rather than men will care for children and older relatives. It is clearly wrong that women should be penalised for taking a caring role as opposed to paid employment. What does it say about us as a society that we value cash contributions so much more than social and caring contributions? I fully support the move towards a more progressive approach to pensions, and one that values everyone's contribution, whether it be monetary or social.

Progress has been made already. The Pensions Act 2007 introduced reforms to the basic state pension that make it easier for people to qualify. From 2010, a person will have to have only 30 years of national insurance contributions to qualify for a basic state pension. That will help people such as women and carers, who are more likely to have had periods without paid employment during their lives. I also welcome the Government's intention to introduce a new carer's credit towards the basic state pension, which will be available to those providing 20 or more hours of care a week for severely disabled people. I hope that we will continue to review pension legislation to ensure that women do not miss out in the future.

I now want to speak briefly about violence against women. Among people subject to four or more incidents of domestic violence from the perpetrator,

[Sarah McCarthy-Fry]

more than 89 per cent. were women. Former UN Secretary-General Kofi Annan has said:

> "Violence against women is perhaps the most shameful human rights violation and it is perhaps the most pervasive."

According to the child and woman abuse studies unit, nearly half of adult women in the UK experience domestic violence, sexual assault or stalking in their lifetimes. Violence against women is all too often conflated with domestic violence, even though it is actually a much broader problem that includes rape and sexual violence, forced marriage, stalking, sexual exploitation and sexual harassment.

Many women and children display remarkable resilience, but the impact on individuals and entire families can be devastating. In the summer, I was contacted by a brave young woman in my constituency who was the victim of a stalker. He was in prison, from where he threatened her by letter. He was later released—something that has understandably put my constituent and her family under considerable strain. She was forced to relocate, leaving her job and friends, and she has received little or no help. However, she is receiving support from Croydon's ground-breaking family justice centre, which I was fortunate enough to have the opportunity to visit in September. There are many victims like my constituent—not just of stalking, but of domestic violence, forced marriage and racial abuse—who would benefit if similar centres were set up around the country.

On average, two women die each week at the hands of a current or former partner, so it is clear that we need more centres like the one to which I have referred. Before the centre was opened, there were up to five adult murders a year in Croydon, but that number has fallen to zero. We need to do all we can to tackle what remains a scourge on our society and relationships. We have to break the cycle of violence that has such a devastating effect on the children caught up in violent relationships, and we have to change a culture that uses violence to control women. In my constituency, many agencies work with victims of violence. We have an excellent record of success, and I look forward to increased Government support for those agencies.

In my speech, I have touched on three areas where progress has been made on issues affecting women. None of that progress would have happened if this Labour Government were not committed to equality, but we must not forget that we would not have been able to deliver for women had there not been a massive increase in the number of women MPs. Women MPs have ensured that uncomfortable issues such as domestic violence, rape, prostitution and forced marriage are debated in this place. Labour women MPs have ensured that the minimum wage, flexible working, increased maternity leave, free nursery provision and women's pensions reform are at the heart of the Government's legislative programme. Labour was prepared to take positive action to ensure that large numbers of women MPs enter this place. I was selected on an all-women shortlist and I am proud of it. Earlier, I spoke about positive role models for young women. What could be more positive than seeing large numbers of women MPs delivering for women?

I am sure, however, that when many women MPs first arrived in this place they were, like me, horrified by the schoolboy playground antics and shouting of insults across the Chamber that sometimes pass for serious debate and questioning in the House. Such behaviour is designed to intimidate and it is a form of bullying. It is not only women MPs who dislike it; women voters find things such as the pantomime of Prime Minister's Questions seriously off-putting. It may provide good fodder for the sketch writers, but it does nothing to endear us to the voters.

During the Christmas recess, I suggest that we all take ourselves off to a real pantomime. We can shout, "Oh no he didn't" and "It's behind you" to our heart's content, and get it out of our system before we return in January. I recommend "Snow White and the Seven Dwarfs" at Kings theatre, Portsmouth, and I understand from my hon. Friend the Member for Basildon (Angela E. Smith) that "Snow White" is also playing at Towngate theatre in her constituency.

I do not pretend to be Snow White, but I am certainly not dopey, I hope I am not grumpy and I try to be happy, so in conclusion I wish you, Mr. Deputy Speaker, all the Officers and staff of the House and all hon. Members a very merry Christmas and a happy new year.

5.11 pm

Mr. David Amess (Southend, West) (Con): Before the House adjourns for the Christmas recess I want to raise a number of points. A lot has happened since the last Christmas recess when Mr. Blair was still Prime Minister. The new Prime Minister has faced several challenges. He has cancelled a general election. The Home Secretary has admitted that the Government massively underestimated the number of illegal immigrant workers in the UK. Her Majesty's Revenue and Customs has lost computer discs, and yesterday we heard that some more discs had been lost. We have had the political donations row, the signing of the EU treaty without a referendum and the police difficulties.

Some of us have been sitting in the Chamber joyfully since 1.30 listening carefully to the speeches. I know that the Deputy Leader of the House does her best to get notes from her civil servants about the important points that I and other Members raise on behalf of our constituents, but I should be grateful if she will kindly make sure that Departments respond to our points within a few weeks.

On Sunday I attended a carol service at Fair Havens, which is a wonderful hospice that serves a wide area. It has been announced that Fair Havens has only enough funding for another four weeks—an enormous tragedy for the hospice. Seventy-two per cent. of the funding for Fair Havens comes from the voluntary sector. As a result of the downturn in the economy, the hospice is in dire straits. It costs £2.6 million a year to run and people are desperate because we do not know where the money will come from, so if the Minister can come up with some money from our local primary care trust or find a big donor we shall be absolutely delighted.

The People's Mujaheddin Organisation of Iran is opposed to the current regime in Iran. In the Chamber two weeks ago, I raised with the Foreign Secretary matters relating to the organisation's inclusion on the proscribed list. He told me the case was sub judice, but that is no longer so. On 30 November, justice prevailed when the Proscribed Organisations Appeal Commission handed down its judgment that the PMOI is not a terrorist organisation. The judgment found that the Government's attitude was "flawed," "perverse" and "must be set aside". Of course, the Government persisted, but I am delighted to tell the House that last Friday, the POAC refused the Home Secretary's application for permission to appeal against its judgment. I hope that the Government will welcome the leader of the organisation, Mrs. Maryam Rajavi, to the United Kingdom next year, and that, for once in their life, they will do something good and be on the side of the good people.

African horse sickness has not yet arrived in the United Kingdom, but it has reached Europe. The disease is midge-borne and I am advised that there are sufficient midges in this country to support the virus. Apparently, it was originally transmitted to Europe by imported zebras. Following foot and mouth, if African horse sickness arrives in the UK next year, it will have devastating effects. I was at a press conference with a few celebrities this morning. A number of the Minister's colleagues are interested in the issue. We intend to have deputation next year. It is an important matter. We want the Government to tell us what preventive measures are in place. Vaccines should be prepared by next spring.

I turn to police pay and the state of British policing. All hon. Members will have had faxes and e-mails from serving police officers expressing concern about pay and conditions. I will quote one such officer. I will not name him, but he is a long-serving police officer. He said that the Government are

> "without doubt the most inept"

he has ever encountered. He said that they have

> "systematically destroyed all trace of proper Law and Order, and replaced it with statistically driven incentive policing, where performance is measured daily only in figures for arrests and detections."

He continued:

> "They have compounded this by empowering the Crown Prosecution service to act as judge and jury with no trial. In addition, they insist on copious amounts of paper to encourage officers to stay in, and not go out on patrol."

If one were to pick a time to have a fight with the police, whose morale is at rock bottom, this would not be it. This is a stupid time to choose. I hope that the Government will do something about the pay settlement for the police, and not continue with their current policy. The police officer also said, "Come on the next general election," and I would certainly support him in his call.

On the subject of hepatology, a number of hon. Members went to St. Mary's hospital in Paddington, including the hon. Members for Norwich, North (Dr. Gibson) and for Bolton, South-East (Dr. Iddon) and Lady Masham. We were taken to see the new facilities and the consultants gave us a wonderful briefing on liver disease. Liver disease is the fifth highest cause of mortality in the United Kingdom and is increasing pretty steadily. Lives could be saved through prevention, early detection and effective management, but the Government do not seem to be taking the issue on board and bringing it to the fore. In 2004, we had the national plan for liver services by the British Liver Trust. We are still waiting for a response. I hope that the Minister will get on to the Department of Health to see what is going to be done about the liver strategy.

In Southend, we have cliff slippage. It seems a long time ago that I listened to the first speech in this debate, from the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), who mentioned the Secretary of State for Communities and Local Government. I am also going to mention the Secretary of State. During an exchange with me a week ago, she talked about the possibility of my not being pushed off a cliff. If the hon. Member for Crewe and Nantwich had her way, the Secretary of State would be in considerable difficulties, judging by what was said earlier. In Southend, we have a desperate situation whereby the cliffs are slipping. We need joined-up support from Departments.

As the Child Support Agency is being wound up, my constituents face more and more incredible situations. A very nice couple—they have asked me to mention this; it is not a private matter—are being pursued for a figure approaching £20,000. That is absolutely crazy. I wrote a letter in support of their court appearance last week. Apparently, those hearing the evidence did not allow the couple to speak. I wrote in my letter:

> "Despite numerous attempts on my part to get the CSA to clarify exactly what amount my constituent owes to this organisation, I have met over the last year and a half a series of delays, poor answers, and late acknowledgements to my letters or no acknowledgment at all."

I hope that the Deputy Leader of the House will pass that on.

Many hon. Members' constituencies face the closure of their Remploy factory, as we do in Southend. The Under-Secretary of State for Work and Pensions, the hon. Member for Stirling (Mrs. McGuire), has been doing her best to reassure us, but my constituents are not reassured, so I hope that the Deputy Leader of the House will pass that on.

A lovely lady who works at Basildon hospital came to see me at my last surgery. Although she wanted me to mention her name, I will not. She was breathalysed in 2003, when she was an alcoholic. She lost her licence, and it was reissued in 2006. After she had held her licence for a year, she had to apply for another one. The Driver and Vehicle Licensing Agency required her to be tested, and the test found that she was just over the technical level. Her consultant and others have given her a number of independent blood tests showing that she is absolutely clear—she has not touched alcohol since. Will the Deputy Leader of the House pass this on to the quango, and can we please get this wonderful nurse back into work at Basildon hospital?

I end on some positive notes. In previous such debates, I have talked about the lack of buses in Southend, West. I am delighted to say that two weeks ago, I was present at the unveiling of a new fleet of low-loader buses with disabled and easy access. People in Southend are jumping up in the air about those buses. Routes that were cut as a result of underfunding have been restored, so I am delighted to congratulate Arriva on that development.

I congratulate the Government on the medals that they are giving to those who served in the Women's Land Army. Those women include my mother, who is in her 96th year. Although we need these medals fairly quickly, we are absolutely delighted about what the Government have done. I end by wishing everyone a very happy and joyful Christmas.

5.22 pm

Shona McIsaac (Cleethorpes) (Lab): Thank you, Mr. Deputy Speaker, for giving me the chance to speak in this year's Christmas Adjournment debate.

I will touch on several issues affecting my constituents, the first of which is the recent announcement on the future of post offices. The Post Office put forward for closure three post offices in my Cleethorpes constituency, which were located in Barton-upon-Humber, Ashby cum Fenby and Habrough. Following the consultation exercise, it has said that all three branches will close.

The response that was sent to Members of Parliament following the consultation was incredibly poor. Despite the objections, the reasons given for proceeding with each of the three closures were very scant. The proposed closure of Habrough post office generated the greatest opposition, yet the response was simply along the lines of, "We have received objections and considered the issues regarding travel, and we don't see any particular problem." There is a problem, however, and the Habrough decision was based on wrong information, because people simply cannot get a return bus journey to the nearest post office, which is in the town of Immingham. The objectors had pointed that out—I even phoned this week to point it out. What really worried me was being told that even if the Post Office had based its decision on wrong information, that would not prevent the closure. There was meant to be a consultation. If it is a proper consultation, there should be mechanisms for raising such points.

When the closures in north Lincolnshire were announced, one post office in the constituency of my hon. Friend the Member for Brigg and Goole (Mr. Cawsey)—a neighbouring MP—which was not even included in the original proposals was suddenly put forward for closure. On investigation, we were informed that because certain other post offices had been saved, it was decided that a few more post offices would be lobbed into the mix to be considered for closure, to make up the numbers. If there is to be consultation, it has to be proper consultation. When I heard that explanation of what is happening in a neighbouring constituency, it made me doubt whether objections were considered carefully and properly across the board.

I shall now move on to the subject of fire stations. To add insult to injury, at the end of last week Humberside fire authority announced various changes to the service that it provides. Two of the proposals affect Cleethorpes constituency. The first proposal is that the retained fire station at Waltham be closed and taken out of service in 2008-09, and the second is that services at the Immingham West fire station be reduced by one engine in 2009-10. Obviously I am sad about the announcement, and not just because I recall opening that fire station not that many years ago. Cleethorpes is lovely; it is a wonderful east coast resort, but the constituency is far more than the coastal town. The Humber bank is one of the biggest industrial areas in the country. Residents of Immingham have around them two oil refineries, power stations and docks, not to mention the numerous factories on the banks of the river. All those are dangerous high-risk sites. That is why Immingham has specialised fire stations at either end of the town.

Accidents happen. There was an explosion at one of the refineries a few years ago. Anybody who can think back further will remember, in the same area, the Flixborough disaster. People are very conscious of such things. They remember those events. The fire station's engine was called out only four times in a year, but that is not the point. The point is that one of those occasions could be a major incident. People will remember what happened at Buncefield; around Immingham there are similar oil storage facilities. It would be wrong to reduce the number of engines at the Immingham West station.

I have a proposal to put to the fire authority in the consultation. It is not ideal, but I am throwing it into the mix. If the authority insists on going ahead with the removal of an engine, thus causing a loss of jobs at the Immingham West station, rather than having a specialised unit, could we possibly have a retained crew at that fire station? That would at least give the town some cover, and it would offer some peace of mind to residents of the area. The fire and rescue service in my constituency has done a marvellous job in recent months. Like many others in that part of the country, it was affected by the flooding in the summer. Everybody saw the pictures of Hull, across the river. There was severe flooding in my constituency, too, but it did not appear much on the national news. However, even now residents are living in caravans. They face Christmas in a caravan because repairs and refurbishments are still under way.

One of the towns affected was Immingham. The fire and rescue service did a marvellous job, not only with Immingham residents but with Goxhill, Barrow upon Humber and around the area. People are sensitive. When they suffered from the floods, the fire service helped out. They are surrounded by industry—including high-risk industry—yet they are going to lose a fire engine.

Waltham fire station is being suggested for total closure, too. It is a retained station that serves a population of some 20,000—the whole southern part of my constituency, which is very rural. It had 200 calls in the past year, and costs about £60,000 to run. I would say that it is a cost-effective station. I would like the fire authority to reconsider.

Another subject that I shall touch on briefly is police pay. Like all other Members of Parliament, I have received a great many e-mails from serving officers in my constituency. I understand why the Government have decided to stage the increase: we do not want inflationary pay rises. That is the reason being given. We can look back to the boom and bust economies of the past to see the impact that that can have, and how pay rises can be wiped out. I understand where the Government are coming from. However, in my heart, part of me says that if a deal has been struck through arbitration we should do our best to meet that deal. The Government have said that they will stage the increase, and I do not think there will be much movement on that. However, in order to restore the faith of serving police officers I want my hon. Friend the Deputy Leader of the House to take back the message that even if we are not going to do something about the pay as it is, can we not do anything else? What other good-will gesture can we make to say thank you for the marvellous job that police officers do?

Like other Members, Mr. Deputy Speaker, I would like to wish you and everybody else a most wonderful Christmas and a very peaceful new year—and I hope that everybody will have a couple of days off from relentless casework.

5.32 pm

Angela Watkinson (Upminster) (Con): I begin by endorsing the Christmas message of the hon. Member for East Antrim (Sammy Wilson), who deplored the dumbing down of Christmas by those who claim offence on behalf of others when none has been intended or taken. I have never had a complaint from a Sikh, a Hindu, a Jew, a Muslim, a Buddhist or anybody else from one of the great world religions about the celebration of Christian festivals. If the politically correct mafia would focus on the values that we have in common—such as the family, the work ethic and looking after people who are less fortunate than ourselves—perhaps they would have a happy Christmas, too.

I want to talk about the finances of the London borough of Havering and the local government financial settlement. Historically, Havering had a low base budget because it was an economical authority, so year on year the increases on that low base budget have been modest.

This year, the London borough of Havering won a national award for the best council in the country for financial services. That was largely because of the council cabinet member for finance, Councillor Roger Ramsey, and the director of finance, Rita Greenwood. They have worked tirelessly over the past four years to put the finances, which were in a parlous state when they took over, on to a sound footing, to keep council tax increases to a minimum and to improve services to the tax-paying public.

One might think that, having achieved all that last year and having introduced the lowest council tax increase for 10 years, there might have been some financial benefit or reward from the Government—but the reward was to be floored again this year.

Havering council has been floored at 2 per cent., which is about an extra £1 million in monetary terms. That £1 million has to cope with inflation and a whole range of other pressures, including the extra £4 million needed for adult social services. The borough has one of the highest proportions of elderly people of all the London boroughs. All the associated costs that go with that put pressure on the council's budget. We have many classically asset-rich and cash-poor people who moved out from the east end of London several decades ago, having never earned a great deal of money. They are now living on a modest retirement income, and their care costs are escalating. The east London waste authority, which is the waste disposal authority for our group of London boroughs, is going to increase its precept by £1 million this year, so the increase in council grant could all be soaked up purely by paying for waste disposal. There has also been a staff pay upgrade of nearly 2.5 per cent.

All this illustrates the impossible situation in which the London borough of Havering finds itself. London overall has done very badly, and this is the worst settlement nationally for years, yet all the boroughs that adjoin Havering have not been floored. I am sorry that the hon. Member for Dagenham (Jon Cruddas) is no longer in his seat to hear the fact that for the neighbouring borough of Barking and Dagenham, the figure is 5.9 per cent. For Redbridge the figure is 5.2 per cent., for Newham it is 5.1 per cent., and for Enfield it is 4.8 per cent. According to the Government, the relative needs per head for Havering and its immediate neighbours are expressed as follows: for Havering £195, for Redbridge £306, and for Barking and Dagenham, £482, which means that a person living there will have nearly two and a half times as much spent on them as someone in Havering. Finally—this is the beauty—there is a whopping £708 for everyone living in Newham. That is more than three and a half times the amount that a person in Havering will receive. Even the London average of £449 is more than double the amount allocated to Havering.

How can this be? Why has Havering been singled out for such dreadful treatment? Who in the Government has such a dreadful grudge against Havering? The council is determined to achieve a reasonably low council tax increase again, but that means that services will have much less money spent on them than they need. For example, there is a £70 million backlog of road and footpath repairs. I receive letters all the time from constituents complaining about the footpath outside their house or the potholes in their road. I write back and tell them that the London borough of Havering has a rolling programme of footpath and carriageway repairs. That programme is not going to roll very far this year on the current allocation.

I received a letter this week from Joe Bell, the United Kingdom Youth Parliament cabinet member for London. His letter illustrates just one example of the forced and unwelcome budgetary decisions that the London borough of Havering will have to make. Havering's central youth council has been very active, and every year it holds elections for the Youth Parliament. One of the schools of which I happen to be a governor, Gaynes school, has had pupils elected to the Parliament two years running. This year the central youth council has been told that, because of overspending on social services to meet certain Government targets, funding cuts in the youth service will have to be made. That means that there is simply not enough money to fund the Youth Parliament elections this year. The youth council was told that it could go ahead only if it funded the elections itself at a cost of £3,000, which is almost its whole budget.

The youth council stands for youth democracy, and its members said that until that night, they thought that they had the support of the borough, but that apparently, that was not the case. Of course they are wrong to think that, but the decision is very unwelcome. I cannot believe that a single councillor in Havering would have welcomed the decision. In the youth council's eyes, though, it is the council that has cut its funding. The youth council wishes to register its disgust at such a disgraceful state of affairs, and I want to register my disgust as well—not with the council, but at this dreadful grant that the London borough of Havering gets every year in comparison with its neighbours and the rest of London. The youth council intends to write to the Secretary of State for Children, Schools and Families about this, and I will be very interested hear what response it receives.

Let me quote from the list of the council's priorities and objectives. One is promoting financial efficiency and providing value for money. Clearly, it is making a very good job of that, but in improving services, one of its objectives is to be positive about young people, but it will not be able to fulfil that. Another is investing in roads and pavements, and still another is developing a range of services for young people, particularly hard-to-reach young people. This settlement is clearly

[Angela Watkinson]

going to make it very difficult for the council to achieve the objectives that, because of their importance to local people, it has set itself.

During the autumn, the Government published the outcome of their comprehensive spending review for the next three years. Among the highlights for local government was a value-for-money programme in which councils will be expected to make cash savings of 3 per cent. each year—and so the screw turns. The savings are expected to deliver improved, modern and personalised public services for families in need, children in care and old and vulnerable people, as well as increasing recycling of waste to 40 per cent. by 2010.

The actual level of grant increase will depend on whether the existing system of ceilings, floors and damping will remain in place. Given the express intention of the London borough of Havering to limit council tax increases, it will be essential to maintain the financial prudence that, despite the absence of any financial reward from the Government, has been so ably demonstrated. There is a limit to how many more financial miracles the London borough of Havering can produce, so will the Deputy Leader of the House please pass on the message to give our borough a fair deal?

In my remaining time, I would like to ask the Deputy Leader of the House to pass on another message to the Secretary of State for Business, Enterprise and Regulatory Reform. The matter seems so trivial at first sight that Members may wonder why I am bringing it to the House's attention, but it has proved impossible to resolve. My constituency contains the Sacred Heart of Mary girls school, of which I happen to be a governor. Next door is the Sacred Heart of Mary convent school. These are separate and different schools, but they share the same postcode.

I have asked the Post Office to give each school a separate postcode, because they continually receive one another's post. During term time, it does not matter too much because it is easy to exchange, but during the school holidays, post for the convent school, however urgent, goes through the letterbox and lies there for a considerable time. All my appeals to the Post Office have fallen on deaf ears. From Adam Crozier down, the responses I receive say, "No, you can't have one," but no one can explain why, or back up the decision with any logical reason. Will the Minister please pass on this message to the Secretary of State? All the school wants is its own postcode; all the other schools in the borough have one, so please can this school have one as well?

5.44 pm

Anne Milton (Guildford) (Con): My time is constrained, so in case I run out, I start by wishing you, Mr. Deputy Speaker, the other Deputy Speakers, Mr. Speaker, his staff and indeed all the staff of the House, who go to great lengths to make our lives easier and our business run smoothly, a happy Christmas and good fortunes in the new year.

I should like to raise four issues, if only briefly: the south-east plan, post offices, my local hospital and, following on from that, the funding formulae that local councils in my area are receiving from the Government. Before I do so, however, I should like to commend the idea proposed by my hon. Friend the Member for Southend, West (Mr. Amess), who is no longer in his place, of giving medals to those in the Women's Land Army. To follow on from the points that the hon. Member for Portsmouth, North (Sarah McCarthy-Fry) made, my mother was a welfare officer in the land army. She was involved in a demonstration that the girls from the land army held down the Mall at the end of the war, when they stripped down to their bras and pants in protest at not receiving demob suits. That generation of women did a great deal to further the cause of the women who sit in the House. We should pay them a significant tribute for their guts and their determination to stand up and fight for what they wanted.

On the current south-east plan, however, my constituency is geographically constrained, being on a floodplain and surrounded by green belt, with protected downland to the south-east and south-west, and rural villages stretching down to the Sussex border. Guildford borough council has met its housing targets, but the town, with its narrow and constricted roads, is increasingly congested, with the study of the likely transport impact of housing numbers set out in the draft south-east plan predicting unacceptable traffic congestion. We are also conscious of other infrastructure deficiencies in water and sewerage, as well as increasing problems with flooding.

The inspectors' panel report on the south-east plan, which is now being considered by the Secretary of State for Communities and Local Government, increased the housing numbers for Guildford by one third, or nearly 2,000 additional houses. It also diminished the requirement for infrastructure to accompany new development, changing the need in the draft plan for development to be "contingent" on the provision of infrastructure to the "timely provision of infrastructure", which provides more scope for inadequate, inferior development without the necessary facilities and amenities.

It seems that Guildford was singled out for a disproportionate increase in housing because, interestingly, it is described as a "regional hub", a term that had metamorphosed from the description "regional transport hub", which many residents in my constituency found somewhat surprising. Yes, Guildford has a railway station and a bus service of sorts, but it is a long way from having the comprehensive public transport system that the term might suggest.

If Guildford is to meet the new housing targets as well as intensifying development in the urban area, it will almost certainly have to expand into the green belt to the north of the town. The effects of incremental development are already being felt in north Guildford, particularly in areas such as Stoughton, which suffers significantly from the lack of infrastructure. The threats to Waverley, in the south of my constituency, are similar. The tensions between house building, inadequate infrastructure and the use of green belts continue.

Guildford is further concerned about uncertainty over the treatment of housing windfall sites. Historically, Guildford has provided much of its development on such relatively small sites, as has Waverley, and there is no sign that they will arise less frequently in future. However, the Government's new planning policy statement 3 does not want those sites taken into account in the housing planning numbers, except with laborious justification. The south-east plan inspectors were more realistic. Clarification of the Government's attitude on windfall sites is much needed, so I would appreciate it if the Deputy Leader of House could address that or get an answer on it for me.

Both Waverley and Guildford are alarmed at the scale of development proposed in the inspectors' panel report, which is likely to undermine the character of the area on which its economic success is founded. Its residents feel that the inspectors underestimated the constraints on development and that their proposals will lead to huge and unavoidable congestion, as well as a deterioration in the quality of life of all our residents through the inadequacy of infrastructure. There will also be a significant impact on the local, and indeed the national economy. It would be nice to have some clarification. A recent letter from the relevant Minister says that he will

"continue to protect robustly the land designated as Green Belt."

However, there is clearly a conflict, as is shown by the inspectors' report.

Many Members mentioned post offices. My constituency, which is heading towards a consultation at the end of January, is in the same position as many others, and there is considerable concern locally. Our post offices are our lifeblood—the social glue that holds our communities together. In Guildford, that applies not only to the rural areas but to the communities that sit outside the town centre. We often hear about the impact that closures will have on elderly, more vulnerable and disabled people, but it is important to remember that in my area they will also have a significant impact on small businesses, including mail order companies, many of which operate from small premises, sometimes from home, and rely heavily on their local post offices. Although Guildford town does not look far away on the map, getting there is a significant consideration in terms of loss of time.

The next matter that I want to mention is my local hospital trust. I was delighted this year when Surrey primary care trust acknowledged all the local concerns about cutting services at the trust. We are now continuing with a three-trust option in west Surrey, with some improved services at Royal Surrey County hospital. There are proposals to merge Frimley Park and St. Peter's hospitals, but they are at an early stage. Part of that success was down to the cross-party, cross-community campaign that we fought. I pay particular tribute to Professor Chris Marks, who headed up the campaign in a clearly independent and robust manner. However, to secure the hospital's future, it is important that it gains foundation status. Indeed, the Government agree. In the online document, "Achieving balance in the NHS", they say that they are

"committed to offering all NHS Trusts the opportunity to apply to attain Foundation Trust status by 2008."

That is clearly what they want hospital trusts to do, but on the road to that end, someone, somewhere is blocking the application. Royal Surrey County is one of the best-performing trusts in the country. It is financially secure and achieving financial balance, it has some of the best mortality rates in the country, and accident and emergency waiting times are among the best in the country, yet the primary care trust or the strategic health authority—it is not entirely clear which—is trying to block the application. It is vital that Royal Surrey County gets foundation status. That would also be an opportunity for the Government to demonstrate just how much a hospital trust can achieve. I have asked the Minister concerned to meet me and my hon. Friend the Member for South-West Surrey (Mr. Hunt), and I look forward to a positive outcome from that request.

The last subject that I should like to mention is local government settlements, which have been grim in Guildford and Waverley, as throughout Surrey, with a 1 per cent. increase in local government funding, 0.3 per cent. going to Surrey county council, and an equally bad settlement for the police under a very unsympathetic funding formula. Surrey is the single biggest financial contributor to the Government's coffers and I am afraid that I, like many residents, am getting sick and tired of our being used as a cash cow. Local residents expect their local councils to provide good services, but it is becoming increasingly difficult to do so when the Government are starving them of much-needed cash. People in Guildford, in Waverley and across Surrey feel that they are being punished by central Government. That is not the only cut. Like my hon. Friend the Member for Tiverton and Honiton (Angela Browning), who is not in her place at the moment, my local theatre, the Yvonne Arnaud in Guildford, has just discovered that it is to lose its Arts Council funding. It is early days, but there is no doubt that the theatre is under significant threat. Middle England pays and middle England gets punished.

I am sorry to sound angry because I enjoy the company of the Minister. We have a little bit of a laugh in the corridors. I am sorry to spoil the rather light mood of the House today, but south-east Surrey in particular and my constituency are a significant contributor to this Government: we are net contributors, I believe, to the tune of £5.5 billion. It is easy for the Government to dismiss us as not of any political significance, but they would be unwise to dismiss us as not of any financial significance.

When my hon. Friends raise issues that are important to our constituents, the Government all too readily dismiss our concerns and talk about how wonderful everything is under their administration. We have been rather flattered by the cries recently of, "What would you do?" I think that the Government should start to listen to the voice of ordinary people who are raising the money that the Government are spending. They should rise to the real challenges of Government and trust local people. Stop the Stalinist top-down dictatorial approach that is making my residents so angry. The Government may have found the past four months slightly sticky, but I assure them that things can get a lot worse.

5.56 pm

Mr. Rob Wilson (Reading, East) (Con): It feels like this has been a long time coming, so I had better make the most of it, but it is always a great pleasure to listen to so many excellent speeches, in particular the speech of my hon. Friend the Member for Guildford (Anne Milton), who represents her constituents so effectively.

It is now just a week until Christmas, traditionally a time of giving and joy for families throughout the country. Obviously, I wish the staff in the House, you, Mr. Deputy Speaker and your colleagues, and other hon. Members across the political divide a very happy

[Mr. Rob Wilson]

Christmas and new year, but I would like to focus on those who are left behind at Christmas: people who are perhaps forgotten at this time of year.

I want to talk about a club in my constituency called the Sun club, which caters for young people with learning disabilities in the eastern part of my constituency. Every Friday night, that club offers a place where vulnerable young people can have what equates to a genuine social life, and where young people with severe challenges in life are able to be safe and happy and to take part in all sorts of wonderful social activities, including outings, sports and meeting up with friends. Many of those friendships have developed over decades from the time of primary school. That is why the young people love the club so much.

I am told that there is no similar provision for young people with learning disabilities anywhere in Reading borough. In my two and a half years as an MP, I have certainly not seen anything similar. The service also offers a welcome respite for parents and carers for a few hours a week, from 6 to 9 pm on a Friday. They benefit not only because their child is happy and safe in that environment, but because they get a short break each week from what is a lifetime of caring. The House is only too well aware of the massive financial and emotional burden of caring that many families take from the state each year.

I visited the Sun club and spoke with parents and users. They genuinely cherish the service. You would think, Mr. Deputy Speaker, that the local authority would, too, but you would be wrong. Reading borough council wants to close the club because it does not appear to fit neatly into one of its budgetary boxes. The Sun club is currently funded by the youth service, which is supposed to be for 13 to 19-year-olds, but is also for those up to the age of 25 who have learning disabilities. Apparently, the club has a few members who are over the 25-years age limit.

Parents understand the council's dilemma and wish to work with it to find a sensible solution, but the actions of the local authority have been bordering on the heartless. In August, the local authority wrote to parents to inform them of the budgetary problem but promised to manage the situation

> "sensitively and in consultation with parents…I will be writing to inform you of further progress, inviting you to a meeting to discuss this in full."

It is with great regret that I inform the House that there has been no real consultation with parents and certainly no meeting to discus this proposal in full, or any progress.

Many letters to the local authority from parents have simply gone unanswered. Answers that I have received from the local authority to my inquiries on their behalf have been at best inaccurate in describing the current situation. Worse, the local authority is now taking disciplinary action against the member of staff who raised concerns on behalf of parents about what was happening. It is always difficult to comment on matters going through due process, but I would say to the local authority that what it is doing will look very unpleasant and wrong to the outside world.

Those thinking that we all have to work within constraints and budgets are right, but the astonishing thing is that the cost of the club is a mere £5,700 a year. This money could be found from a £0.5 billion annual budget if there was truly the will to do so.

By way of advice to Reading borough council, I would say three things. First, stop trying to bully parents and instead work with them, as it said it would from the outset, to find a solution for these young people. This club is worth supporting. Secondly, drop the disciplinary action against the youth worker, which reflects extraordinarily badly against the local authority. Thirdly, reflect very carefully on the special educational needs support in Reading. There are huge problems even for those children in schools, but for those over 18 the gaps in provision are absolutely enormous. Where there is a success, such as the club, do not set out to destroy it simply because it cannot be made to fit into a particular budgetary pot.

Bob Spink (Castle Point) (Con): My hon. Friend is making an excellent point and showing what a compassionate and caring Member he is. May I share with him that I have the same problem with Essex county council?

Mr. Wilson: I have heard about the problems with Essex county council. My hon. Friend makes a valid point. As he knows, my hon. Friend the Member for Harwich (Mr. Carswell) sat on the Education and Skills Committee during our inquiry into special educational needs.

The second issue that I should like to raise is the tragic death of my constituent Tyson Brown, who lost his life in 2005 and whose family feel badly let down by the way in which the case has been handled by the police, the Health and Safety Executive and the coroner. The family believe that each of those organisations has made mistakes that have made it much more difficult for the evidence to be referred to the Crown Prosecution Service to enable the case to progress to court.

The death of a son is never easy to cope with, yet my constituent's family's tragedy has been compounded by the fact that the individuals they believe responsible for their child's death have never stood trial. On 12 August 2005, Tyson Brown, a 16-year-old boy from Woodley, drowned during his lunch break. He was attempting to swim across a flooded quarry where he had been working after accepting a challenge to do so from his employer. That is right; an employer, at his place of work, bet his employee to swim across a dangerous flooded quarry, exposing a young man to considerable danger.

The police attended the scene and quickly dismissed the death as a tragic accident. Health and safety officials said that as it took place at "lunchtime", it was not a matter for them. The police, based on a short telephone conversation with the Health and Safety Executive, seemed to have come to the conclusion that there was very little to investigate. I find that quite extraordinary. Indeed, a civil case—where, admittedly, the burden of evidence is lower—that the family brought against the employer resulted in a £10,000 compensation settlement, although that is not much for a young life.

The family have been fighting to get at the truth for two years and have not been treated in the manner they should have been by the police, the HSE or the coroner's court. They have raised a number of concerns about the way the police investigated the case and they are dissatisfied with the responses they have received. Despite a number of letters sent to the police, I, too, have failed to receive completely satisfactory answers to questions, such as why the boss, Mr. Edwards, was allowed to leave the scene before being interviewed, why his statement was not recorded properly and on the correct witness statement forms, why he was not asked to attend the inquest as a witness, and why the police waited more than three hours before informing the family of the death of their son. That raises concerns about whether justice has been seen to be done in this case—whether the police have carried out a thorough investigation, whether the HSE made a rash and ill-informed decision about the nature of the incident, and whether the coroner was given all the information required before coming to a conclusion.

I believe that it is reasonable to interpret that the duty of care an employer has for their employees is not set rigidly by the hours of work; rather, it should also be determined by the influence an employer exercises over their employee and by the environment in which it is exercised. It is reasonable to expect that an employer should be held accountable for their influence if it can be shown that risk to an employee's health and well-being directly resulted from that influence and would not have occurred otherwise. Considering this case in particular, it is therefore reasonable to expect that the influence Mr. Edwards exercised as a boss over Tyson Brown would have extended over the lunch-break period. It is also reasonable to expect that Tyson Brown, particularly considering his age, would respond to requests by his boss even at lunchtime in a way that he might not have done if Mr. Edwards had held no such superior position. Finally, it is reasonable for Mr. Edwards to foresee a risk to Tyson Brown by encouraging him to enter a flooded quarry without safety measures in place.

It is not for the House to rule on the interpretation of the facts in this case. Equally, I do not believe that it is for the police to make such a judgment, but I do believe that we need an independent adjudication of the circumstances of this case. There is no doubt in my mind that mistakes have been made. I therefore do not believe that Tyson Brown has received justice. After two years, it is time for this matter to be properly settled and I hope that the Minister will use her good offices to help in that.

6.7 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): First, I wish to thank all the Members who have spoken in the debate and to compliment them on their excellent contributions. We have heard about a wide range of subjects—from those that concern Members' constituencies to national issues and some that address the international perspective—and I very much hope that where the Deputy Leader of the House is unable to provide answers she will ensure that the appropriate Ministers provide full and proper replies to Members.

The debate began with a powerful speech from the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), who gave a strong critique of the reorganisation in Cheshire. She raised a number of serious issues for the relevant Secretary of State, but we subsequently heard a speech from the hon. Member for Weaver Vale (Mr. Hall) in which he more or less disagreed with everything that the hon. Lady said—although to be fair to him he also covered a number of other issues, including a possible review of police pay.

The contribution of the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) touched on the closure of post offices, a subject close to the heart of many Members—it affects many of us and we share his concerns. The right hon. Member for Enfield, North (Joan Ryan) spoke on a point echoed in respect of many other Members' constituencies: the future of local hospitals, and in her case of Chase Farm hospital. She was somewhat scathing about the consultation process. My advice to her is to join us, the next time that there is an Opposition day debate on a health issue, in criticising her own Government.

My hon. Friend the Member for Tiverton and Honiton (Angela Browning) drew attention to the possible closure of the Northcott theatre. It is particularly noteworthy that there is cross-party support locally for that very worthwhile venture, and I certainly wish her well in her campaign. The right hon. Member for Leicester, East (Keith Vaz) made a very valid point when he criticised his own Government for trailing well in advance today's written statement on visitors to the UK. I hope that the Deputy Leader of the House has taken that on board.

How welcome it was to see my hon. Friend the Member for Isle of Wight (Mr. Turner) making such a valid contribution in this place today. He made a very moving speech concerning his constituents, particularly Mr. and Mrs. Burrell and the former's need for treatment with the drug Sutent. I hope that the Deputy Leader of the House will ensure that the statement that my hon. Friend requested from the relevant Minister will be forthcoming as soon as possible.

The hon. Member for Houghton and Washington, East (Mr. Kemp) made a thoughtful speech on the future use of a particular piece of land and the future of the pigeons on it. I hope that the situation is quickly resolved. In passing, I understand that the matter was covered on the "Today" programme this morning. We are used to hearing Ministers trail their comments on that programme; I am sure that the Whip in charge will note that Back Benchers are following that practice.

My right hon. Friend the Member for West Derbyshire (Mr. McLoughlin) spoke passionately on behalf of his constituents and rightly pointed out the difficulties experienced by his beef and lamb producers. I agree entirely with him when he says that it is high time that we had a debate on agriculture in Government time; it is long overdue. The hon. Member for Lewisham, West (Jim Dowd) gave a knowledgeable speech on his local train services. That, we all acknowledge, is always a difficult subject, but I am sure that his constituents are grateful for his efforts in raising it in the Chamber.

The hon. Member for East Antrim (Sammy Wilson) raised a very relevant point, given that it is the festive season, and he was supported in his comments by my hon. Friend the Member for Upminster (Angela Watkinson). Both spoke of the need to ensure that Christmas is called Christmas, and not "Winterval" or anything else, by the political correctness brigade. I entirely agree with those comments. If one were to ask members of a minority religion—to ask, say, Hindus, Muslims, Sikhs or the Jewish community—to change the name of their religious festival because it was felt that it offended those who are not from that faith, there

[Mr. Shailesh Vara]

would rightly be outrage from those communities. Yet there are people in this country who are quite happy to rename Christmas "Winterval". *[Interruption.]* Labour Members are saying "Where?" I suggest that they look at some of their own local authorities, where they will find the answer. It is wrong to have one rule for the minority religions, yet for those who are part of the mainstream majority religion in this country to find that Christmas is to be renamed. I hope that the political correctness brigade will take note of that.

Mr. Robathan: Let me help my hon. Friend and those on the Labour Benches who have very short memories. It was the Labour authority in Birmingham that determined that Christmas would be called "Winterval".

Mr. Vara: I am most grateful to my hon. Friend for specifying which authority it was, but I am sure that he will agree that there are other such authorities, most of which are run by the governing party.

My hon. Friend the Member for Blaby (Mr. Robathan) spoke passionately about a number of issues, including the need for a referendum on the European Union—the Government pledged that in their manifesto. He rightly said that when Governments renege on their manifestos that reflects badly on politics for all of us, and that the Prime Minister has lost his moral compass.

The hon. Member for Norwich, North (Dr. Gibson) gave a considered speech on Norfolk matters, making particular reference to special educational needs. The hon. Member for Dundee, East (Stewart Hosie) gave a learned speech on various financial matters, in particular the Barnett formula, Scottish financing, English spending and so on. I am sure that this House will return to those subjects in future.

We heard an interesting speech by the hon. Member for Pendle (Mr. Prentice). He spoke of a Liberal Democrat Member of the European Parliament defecting to the Conservatives. I urge the hon. Gentleman's Whips to keep an eye on him and inquire why a Labour Member is particularly excited about a Liberal Democrat MEP defecting to the Conservatives.

My hon. Friend the Member for Ribble Valley (Mr. Evans) subsequently made a passionate speech. He spoke about the need for increased investment in tackling identity fraud. Given the time of the year, when a lot of expenditure takes place, that is a particularly relevant point.

The hon. Member for Dagenham (Jon Cruddas) raised a number of points in a serious speech. He asked a number of pertinent questions about the British National party, and a lot of answers are required. I hope that the issues will be looked into by the Electoral Commission and the police.

My hon. Friend the Member for North-East Milton Keynes (Mr. Lancaster) spoke appreciatively about one of Britain's strong success stories—the Open university. Its great achievements have taken place both in this country and abroad.

The hon. Member for Portsmouth, North (Sarah McCarthy-Fry) spoke with considerable care and concern about the serious issue of equality for women. She boasted about her Government's achievements in that particular area. May I remind her that it would have helped the cause of the former Minister for women and equality if she had been paid the proper ministerial salary when in post, rather than the salary of a Back Bencher?

We then heard a fast-paced speech by my hon. Friend the Member for Southend, West (Mr. Amess). He made a number of points, concluding with the good news of the unveiling of the easy access disabled buses.

The hon. Member for Cleethorpes (Shona McIsaac) also made a number of points, including her wish for better fire services for her local community.

My hon. Friend the Member for Guildford (Anne Milton) covered various important points for her constituents, including the tension between house builders, inadequate infrastructure and the green belt.

The final speech was made by my hon. Friend the Member for Reading, East (Mr. Wilson). He spoke about the people who Christmas perhaps tends to forget. His thoughtful speech covered the threatened closure of the Sun club, which caters for very vulnerable people in his constituency. I know that he is a strong and committed campaigner for his constituents, and I wish him well in his campaign to save the club.

All that remains for me to do is to wish you and all the staff of the House a happy Christmas and new year, Mr. Deputy Speaker. May I also extend season's greetings and Christmas greetings to all the members of the security team, who look after us so well, and to the staff of the Members? I wish everyone a happy Christmas and new year, and look forward to seeing everybody again in the new year.

6.19 pm

The Deputy Leader of the House of Commons (Helen Goodman): It is nice to be able to respond to an afternoon of debate that has been so lively and marked by so many contributions. The first was of course the speech made by my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody). She made a powerful speech in which she was strongly critical of the local government reorganisation in Cheshire. I am sure that her arguments will be heard beyond this Chamber. It was interesting that my hon. Friend the Member for Weaver Vale (Mr. Hall) disagreed with much of what she said. In County Durham, we have gone through a similar reorganisation recently and I know that such processes can raise strong feelings, because the way in which local government is organised has an impact on public service delivery.

The hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) spoke initially about rural services and, in particular, his concern about post office closures. His points about the significance of the post office were echoed not only by those with rural constituencies, but others. They included my hon. Friend the Member for Cleethorpes (Shona McIsaac), the right hon. Member for West Derbyshire (Mr. McLoughlin), the hon. Member for Blaby (Mr. Robathan), and my right hon. Friend the Member for Leicester, East (Keith Vaz). All were concerned by post office closures and the method of consultation on those closures. I will certainly draw that to the attention of my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform.

The hon. Member for West Aberdeenshire and Kincardine went on to talk about the importance of broadband extension, especially for rural communities. I will draw his points on that issue to the attention of colleagues in the Department for Business, Enterprise and Regulatory Reform. He talked about the switchover from analogue to digital television, but I am afraid that he went way beyond my understanding in the description of the technology. I think that he was saying that support for vulnerable groups needs to have a longer lead-in, especially for people who are blind or dyslexic. I will draw that point to the attention of Ministers in the Department for Culture, Media and Sport.

The hon. Gentleman went on to make a complaint about the level of the winter fuel payment, which I did not think was wholly justified, given the high expenditure that the Government have put into Warm Front of some £800 million, benefiting 1.6 million people. That needs to be taken into account when considering fuel poverty, which has become much less prevalent in the last 10 years. He also talked about North sea oil and gas and expressed particular concern about future development. He said that for a long time the Treasury had taken a short-term view of it. In a former life, I was the civil servant on the North sea desk, so his suggestion that that was a longstanding problem made me rather uncomfortable. In any case, I do not think that it is a problem now.

Finally, the hon. Gentleman made the suggestion that the Leader of the House should announce business two weeks ahead. Sometimes we do announce business more than one week ahead, but I will take his suggestion away and we will consider it.

Bob Spink: I congratulate the Government on the £27 million stop-gap funding for children's hospices this year and I request an early statement on funding for 2008-09. I also request an early debate on the Floor of the House on the holistic palliative care of children, as I was promised such a debate by the former Leader of the House, now Lord Chancellor, some six months ago.

Helen Goodman: I will take that as a suggestion for a topical debate.

My right hon. Friend the Member for Enfield, North (Joan Ryan) spoke about Chase Farm hospital. She is an energetic campaigner on behalf of her constituents and her speech described the many years that she has spent in such campaigning. She was especially concerned to preserve accident and emergency and maternity services in the hospital. She was concerned about the quality of the consultation that had been carried out. My understanding is that such decisions are for the local NHS, and that all the PCTs agreed that it was option No. 1 which should be considered. Even so, my right hon. Friend made a powerful case, and I shall draw her remarks to the attention of Ministers in the Department of Health.

The hon. Member for Tiverton and Honiton (Angela Browning) spoke about the closure of the theatre in Exeter. She will understand that that is a decision for the Arts Council of England, which is an arm's length body. I can draw the matter to the attention of Ministers in the Department for Culture, Media and Sport, but I cannot be terribly optimistic about the upshot.

The hon. Member for Tiverton and Honiton also spoke about the problem that arises when consultants prescribe drugs that, for financial or other reasons, are not available to patients. She suggested that an unfair funding arrangement enabled people in Scotland to get drugs that are not available to people in England. I hope that she heard the speech made by the hon. Member for Dundee, East (Stewart Hosie), who explained to the House that Scotland received no real-terms subsidy under the Barnett formula.

The hon. Lady went on to talk about the operation of HIPs. She said that she supported energy certificates, but she also made some complaints about the administration of the HIPs scheme. She said that she had written to Ministers at the Department for Communities and Local Government in the middle of October, and I shall impress on them the importance of giving her an early response.

My right hon. Friend the Member for Leicester, East spoke about post office closures in his constituency, and then about the site at the junction of the A46 and the A6 where GE Thorn used to have a plant. He is worried that the site could become derelict, and wants the company and the council to look into its future use.

My right hon. Friend welcomed the proposal to change the rules on immigration and visitors, and said that he supported the proposal to reduce the length of visits from six months to three. I was glad that he was able to find something in the Government's programme to support, because he then went on to make some criticisms of the Home Secretary's decisions in respect of police pay. In that, he was supported by the hon. Members for Blaby and for Ribble Valley (Mr. Evans), and by my hon. Friends the Members for Weaver Vale and for Cleethorpes.

Of course, the Government recognise the vital and hard work performed by the police, but the public sector pay policy must be maintained. There is no need for me to advise my right hon. Friend on how to make his case to Ministers, as he is clearly perfectly capable of doing so.

I should like to take this opportunity to express my pleasure at seeing the hon. Member for Isle of Wight (Mr. Turner) back and in his place this afternoon. He made a very good and characteristically clear speech in which he described the case of a constituent of his who has cancer. I understand that the local NHS was not prescribing the drug that would have helped his constituent, and I want to make it clear that it is not acceptable for NHS organisations to refuse to fund treatments simply because they have not yet been appraised by NICE. However, PCTs in different areas will have different priorities, so unless we have a completely centralised system, about which Members on both sides of the House would be critical, there will difficulties in meeting all needs and priorities.

Several hon. Members talked about cancer care in their area. Over the last 10 years the extra spending and concentration on cancer has brought mortality rates down by 17 per cent., and a new cancer reform strategy is being developed.

My hon. Friend the Member for Houghton and Washington, East (Mr. Kemp) made an excellent speech about his constituents in Ryhope and the importance of pigeon fancying and allotment holding. My constituency

[Helen Goodman]

is only 25 miles from my hon. Friend's, so I know how important pigeon fancying is for the large number of people who derive great enjoyment from the sport. Some of us even wondered whether it could be made an Olympic sport, but I understand that that will not be possible. My hon. Friend also pointed out that the Legal Complaints Service refused to correspond with him. I shall refer his point to the Ministry of Justice, as that situation seems completely unacceptable.

The right hon. Member for West Derbyshire (Mr. McLoughlin) spoke about post office closures. I was surprised that he did not mention the Barley Mow in Kirk Ireton, because when Mary and Tony Short contacted me, I told them to get in touch with him about their post office. I will draw the right hon. Gentleman's remarks about community bus services to the attention of the Department for Transport. I was surprised by what he said, because the Department is trying to encourage more community bus services and more social enterprise where big bus companies do not find it economic to operate. I very much hope that the framework in the new transport legislation will go some way towards helping people in his rural constituency.

The right hon. Gentleman also talked about Longstone rake and the difficulties with minerals regulations. He asked when the consultation would take place and said he was not sure that the Planning Bill would help to speed up the process. I shall refer his comments to Ministers at the Department for Communities and Local Government. He went on to talk about agriculture, and upland farmers in particular. I echo his remarks, as there are many hill farmers in my constituency and the recent outbreak of foot and mouth has been problematic for them. I shall take his call for a debate on agriculture as a request for a topical debate.

The right hon. Gentleman complained about the fact that council taxes were rising by 4 per cent. while rises in incomes were tied to inflation, but he needs to look at the wider context. Opposition Members sometimes forget the state in which pensioners were living 10 years ago. I remind them that we have lifted 2 million pensioners out of poverty over the last 10 years.

Mr. Robathan: Complete rubbish.

Helen Goodman: It is not. The hon. Gentleman may be uncomfortable with them, but those are the facts.

My hon. Friend the Member for Lewisham, West (Jim Dowd) spoke about the East London line extension. He has made an extremely careful and thorough analysis of all the technical documents and has been involved in the campaign for 35 years. I will draw his concerns about the future development to the attention of the Department for Transport. He also made some points about health services in his area. Again, he was concerned about the quality of consultation, which was an issue that came up in the speeches of several hon. Members. I will draw that point to the attention of Ministers in the Department of Health.

The hon. Member for East Antrim (Sammy Wilson) spoke about the threats from international terrorism, and in particular, he expressed his concern about the Libyan regime. He was concerned about the arms trade and how it can feed into the situation. I understand from the Foreign Office that, while it is aware of the situation and does not condone it, it believes that the relationship with Libya has improved significantly. I will draw his remarks to the attention of Foreign Office Ministers. He also raised the issue of the destruction of Orange halls and said that some 200 had been lost in recent years. I shall write to the Secretary of State for Northern Ireland about that.

My hon. Friend the Member for Weaver Vale (Mr. Hall) spoke about the reorganisation of local government in Cheshire. He went on to talk about two planning issues, one in an area where there has been overdevelopment and another on a greenfield site. He made a specific recommendation—we will pass it on to the Department for Communities and Local Government—that local authorities need stronger enforcement powers, because without those powers, there are not sufficient penalties to provide incentives for people to abide by the planning regulations. He spoke of his concerns about the effectiveness of the Criminal Records Bureau, and about the rehabilitation of offenders. I will pass his concerns on to the Home Office.

My hon. Friend also spoke of two children who had been killed on the motorway in his constituency. He is absolutely right: road safety is the most significant issue of risk to children in this country. He will no doubt have noticed that the children's plan, which was published a few days ago, addressed the issue of road safety. I will draw what he said to the attention of the Department for Transport and the Department for Children, Schools and Families.

The hon. Member for Blaby (Mr. Robathan) gave a wide-ranging speech covering police pay, post offices, pensions, farmers and his desire to have an EU referendum. I am not going to suggest that we are going to have an EU referendum. As he knows very well, the document is not a new constitution. It is a treaty and the House will have many weeks to examine it in the new year.

Mr. Robathan: Will the hon. Lady give way?

Helen Goodman: No; the hon. Gentleman will have plenty of time in the new year.

I felt that the hon. Gentleman made a more reasonable point when he spoke about the importance of ensuring that dairy farmers were well treated. I draw his attention to the inquiry by the Competition Commission into the behaviour of supermarkets.

Mr. Robathan: Will the hon. Lady give way?

Helen Goodman: Yes.

Mr. Robathan: May I take the hon. Lady back to the referendum? Did she endorse and support the Labour party manifesto on which she stood in May 2005?

Helen Goodman: The hon. Gentleman is under a misapprehension. It is not that the Government have changed their mind; it is that circumstances have changed.

My hon. Friend the Member for Norwich, North (Dr. Gibson) spoke about the train line to Norwich, academies in his constituency and resources for children with special needs. I hope that he is aware of the review of special needs education that was announced as part of the children's plan and the extra £18 million that will be spent on training teachers to help secure better support for children with special needs. I hope that he is also aware of the private Member's Bill that is being promoted by my hon. Friend the Member for Gateshead, East and Washington, West (Mrs. Hodgson), which would enable better planning of local authority services for children with special needs.

The hon. Member for Dundee, East (Stewart Hosie) spoke about the Barnett formula and the private finance initiative, and I will pass his remarks to the Treasury. The hon. Member for Brecon and Radnorshire (Mr. Williams) made a helpful intervention during that speech.

My hon. Friend the Member for Pendle (Mr. Prentice) painted an extremely vivid picture of his European Member of Parliament and the unreliability of Sajjad Karim. I felt that it was a good job that the people of Pendle have a good Labour MP to look after them in such difficulties.

The hon. Member for Ribble Valley (Mr. Evans) spoke about identity fraud, the importance of raising people's awareness of the problem and, in particular, the risks of giving information on the net that might lead to ID fraud. The issue is important, and I will draw his remarks to the attention of the Treasury and the Department for Business, Enterprise and Regulatory Reform. He also spoke about his desire for an extra debate on a Monday morning; I am not sure whether that was a serious suggestion. One of the things he said that he had read about in the Sunday papers and could not believe was true was the £4,000 payment for asylum seekers. I should like to read out the response made by my hon. Friend the Minister for Borders and Immigration:

> "We take suggestions that the Assisted Voluntary Returns...system is being abused very seriously. If abuse of the scheme comes to light, we will fully investigate and push for the strongest action to be taken. All applicants for the scheme undergo a series of identity and eligibility checks before being granted any form of assistance".

I hope that that reassures the hon. Gentleman.

We should all be grateful to my hon. Friend the Member for Dagenham (Jon Cruddas), who has clearly done a great deal of work investigating the unpleasantness of the British National party. He described a number of extremely unpleasant criminal activities to which the leader of the BNP, Nick Griffin, had admitted. They were in keeping with the horrible, racist politics that I am sure that the whole House would wish to condemn.

The hon. Member for North-East Milton Keynes (Mr. Lancaster) spoke about schools in his constituency. I am not sure whether he is aware that spending per pupil has doubled in the past two years. He also talked about the Open university, whose headquarters are located in his constituency. I am sure that he knows that a former Labour Prime Minister, Harold Wilson, described that as his greatest achievement. I think that the hon. Gentleman has had a meeting with Ministers in the Department for Children, Schools and Families.

Mr. Lancaster *rose*—

Helen Goodman: Let me tell the hon. Gentleman one thing before he intervenes: I understand that £100 million is being redirected from people who would be getting second degrees through the Open university to people who would be acquiring their first degree.

Mr. Lancaster: May I take the hon. Lady back to her comment that spending on education has doubled in recent years? That does not change the fact that £64.5 million will now not be spent in Milton Keynes over the next three years, so we will not build the 13 new schools that we desperately need to cope with the expansion of the population. What advice can she offer to parents in my constituency who will struggle to find a place for their children over the new few years in Milton Keynes?

Helen Goodman: I would advise them to vote Labour, because the fact is that the hon. Gentleman's Front-Bench colleagues promise massive cuts to the building schools for the future programme, which will be far more serious than anything that he described this afternoon.

My hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry) gave a considered speech on the position of women in this country. She connected the way of life of many women, and their problems—low income, unequal entitlement to pensions, and domestic violence—with the need for political reform. She pointed out that it is important to have more women in political life, so that those issues get the proper attention that they deserve. Of course I will draw her remarks to the attention of colleagues in the Department for Work and Pensions and the Department for Communities and Local Government, and to my right hon. and learned Friend the Minister for Women and Equality. I will also pass on her points about apprenticeships for young women to the Department for Innovation, Universities and Skills.

The hon. Member for Southend, West (Mr. Amess) gave a wide-ranging speech, which covered the problems faced by the Fair Havens hospice. I hope that he heard the earlier intervention made by the hon. Member for Castle Point (Bob Spink). The hon. Member for Southend, West also mentioned Iran and the treatment of a particular group whose name I am not sure that I can pronounce. He mentioned African horse sickness, police pay, hepatology, Remploy and the Women's Land Army medal. On police pay, he needs to take account of context, and the fact that crime is down 32 per cent. in the past 10 years. It is not right that, as I think one of his constituents suggested, we had destroyed law and order.

Keith Vaz: I find that an odd answer to the question of police pay. The reason why we are catching more criminals is that the police are working in partnership with the Government. The refusal to pay the police their full award breaches that trust. We would like to know whether the Minister will take that point back to the Home Secretary, and try to get the matter resolved.

Helen Goodman: Of course I will report to the Home Office what hon. Members have said. The point that I was making to the hon. Member for Southend, West is that the situation is not one of doom and gloom; crime is down in this country.

The hon. Member for Southend, West also talked about the seriousness of liver disease. I can only assume that unlike the rest of the country, he has not recently heard the public health Minister talking about the dangers of drinking too much alcohol. I hope that he is aware of the fact that the Secretary of State for Work and Pensions has undertaken a further review of

[Helen Goodman]

Remploy factories and has reprieved many of them. I am sorry if the one in his constituency is not among them.

My hon. Friend the Member for Cleethorpes, an extremely hard-working Member of Parliament, demonstrated in her speech that she understands and cares about her constituents. She spoke about the Post Office and police pay, but mostly about the fire stations in Waltham and Immingham. She was concerned by proposals to downgrade the fire stations. She pointed out that good fire stations are particularly important because of the heavy industry nearby. I will draw her remarks to the attention of the Department for Communities and Local Government.

The hon. Member for Upminster (Angela Watkinson) spoke about the financial effectiveness of the London borough of Havering. She felt that Havering has been treated unfairly by the Department for Communities and Local Government in respect of the application of the grant formula. I am sure that Havering has had its proper allocation according to the formula. I am quite sure that there is in no sense any campaign against Havering, but I will draw her remarks to the attention of the DCLG, and I will draw her concern about postcodes to the attention of the Department for Business, Enterprise and Regulatory Reform.

The hon. Member for Guildford (Anne Milton) told us a story about her mother taking her clothes off in the Mall when she was a member of the land army. I can only say that the hon. Lady is obviously a chip off the old block—although I hope that she is not going to do that in the Chamber now. She spoke of her concerns about overdevelopment in her constituency. I understand that the matter is fraught, since my mother-in-law is one of her constituents. Nevertheless, I remind the hon. Lady that 10 years ago the amount of development on brownfield sites was 56 per cent., and it is now up to 74 per cent.

The hon. Lady also spoke about her local hospital trust and said how much she wanted to see her local hospital become a foundation trust. She has written to the Department of Health to seek a meeting. We will follow that up on her behalf. She, too, was concerned about the local authority grant settlement in Surrey. Local authority grant settlements are the result of a sort of Heath Robinson formula that takes account of not only income, of which she made much, but needs.

The hon. Member for Reading, East (Mr. Wilson) spoke about children with special needs at the Sun club in his constituency. He raised the issue of gaps in provision once children reach 16 or 18. He was pointing to the important contribution that the voluntary sector can make in supporting those families. He told the House an alarming story about the death by drowning of a young man, Tyson Brown. That sounded very serious, and I will pass those concerns on to the Home Office and the Ministry of Justice. Finally, the hon. Member for North-West Cambridgeshire (Mr. Vara) gave a typically polished and witty performance.

I would like, if I may, to say something about my constituency. Unfortunately, last Friday 500 of my constituents lost their jobs because the Electrolux factory was closed. That is obviously a matter of great disappointment and I will be thinking about them over the Christmas holiday. I hope that people will be able to get new jobs. The closure programme is phased over some time, and there is a partnership of the County Durham Development Company, the local skills council and the local authority that will provide training for people.

I would not want people to think that that was the total sum of my constituency. It is an extremely nice place to spend Christmas, whether that involves joining in with traditional carols played by brass bands at one end of the constituency or going for walks in the area of outstanding natural beauty at the other. I wish all hon. Members a happy Christmas. I hope that they will have as pleasant and restful a time as I intend to. I thank you, Mr. Deputy Speaker, the other Deputy Speakers, Mr. Speaker and all staff who work for us in the Palace of Westminster for everything that you and they have done for us in the past year.

Lord Commissioner of Her Majesty's Treasury (Mr. Alan Campbell): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

COMMITTEES

Mr. Deputy Speaker: With the leave of the House, I shall put motions 5 and 6 together.

Ordered,

Environmental Audit

That Mark Pritchard be discharged from the Environmental Audit Committee and Mr. Ian Liddell-Grainger be added.

Environment, Food and Rural Affairs

That Daniel Kawczynski be discharged from the Environment, Food and Rural Affairs Committee and Miss Anne McIntosh be added.—*[Mr Alan Campbell, on behalf of the Committee of Selection.]*

PETITIONS

Mail Centre (Coventry)

6.54 pm

Mr. Jim Cunningham (Coventry, South) (Lab): I have two petitions to present tonight, and a combination of the signatures on both gives a total of nearly 26,000 people who are protesting about post office closures in Coventry. The two petitions are interrelated. There is concern about the job losses involved, and about the possibility of a poorer quality of service. We have already noticed that the service has deteriorated. The method of consultation used by the Post Office has been very much in the manner of saying, "This is what we're going to do. Either accept it or leave it." We cannot submit any other proposals to the Post Office, because it will not listen. These petitions have been organised by the Communication Workers Union, and they have received widespread support across Coventry and across the parties. The first petition, which has 17,657 signatories, states:

> The Petition of the Communication Workers Union, Coventry Area Branch,
>
> Declares that they do not agree with Royal Mail's Decision to close the mail centre in Coventry in order to open a new Mail Centre in Northamptonshire instead. They believe that to maintain the quality of service they currently receive, as customers of Royal Mail, Coventry and Warwickshire needs to have a Mail Centre based in Coventry.
>
> The Petitioners therefore request that the House of Commons urges the Government and Royal Mail to rescind its decision to

close the Mail Centre in Coventry in 2009 and instead either maintain the Mail Centre at its current location or build a new Mail Centre in Coventry.

And the Petitioners remain, etc.

[P000096]

Post Office Restructuring (Coventry)

The second petition, which has 8,752 signatories, states:

The Petition of the Communication Workers Union, Coventry Area Branch,

Declares that they do not agree with the franchise of Hertford Street Crown Post Office in Coventry City Centre. They do not want WH Smith, or any other private company, running this public service, we believe that the Crown Post Office at Hertford Street Coventry should continue to be provided by Post Office Ltd. and should remain at its current location.

The Petitioners therefore request that the House of Commons urges the Government and Post Office Ltd. to withdraw its franchise plans for Hertford Street Crown Post Office.

And the Petitioners remain, etc.

[P000095]

Post Office Closures (Leicester)

6.57 pm

Keith Vaz (Leicester, East) (Lab): I too have a petition relating to post office closures, to which I referred in my speech earlier. I am pleased to see the Minister for Employment Relations and Postal Affairs, my hon. Friend the Member for Wolverhampton, South-East (Mr. McFadden), on the Front Bench, because I have invited him to visit Leicester over the recess, as Wolverhampton is very close to my constituency. This is the petition of Mr. Shah of Willowbrook Road and Bushby Road post office, which is due to close. I accepted the petition last Friday from a lot of elderly people, lone parents and others who will really miss the post office. I hope that it can remain open, and I hope that the Minister will be able to visit my constituency over the recess.

The Petition of Mr Shah and others,

Declares that Willowbrook Road Post Office plays an important role in the survival of the local community, and that its closure would bring about further deprivation to an already disadvantaged community.

The Petitioners therefore request that the House of Commons urge the Minister of State for Employment Relations and Postal Affairs to make arrangements to ensure that the proposed closure of the Willowbrook Road Post Office does not go ahead

And the Petitioners remain, etc.

[P000097]

Deforestation

6.58 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): I am pleased to present the petition of my constituent, Ellen Pisolkar, which is supported by 295 other people. It draws attention to the huge contribution that the destruction of the rain forest makes to climate change. It points out that, in the next 24 hours, deforestation will cause as much carbon to be released as 8 million people flying between London and New York. The petitioners request the adoption of a number of policies to halt the deforestation in the tropics, and they will no doubt be very pleased by the agreement in Bali, which will pave the way for incentives to reduce wholesale deforestation and more gradual damage.

The Petition of Ellen Pisolkar and others,

Declares that in the next 24 hours deforestation will cause as much carbon to be released as eight million people flying between London and New York. The destruction of the rainforest is recognised as one of the main causes of climate change. Tropical deforestation accounts for one-fifth of all carbon emissions, more than the entire transport sector (including the aviation industry). The burning of trees is releasing as much carbon dioxide into the atmosphere as the United States and has pushed Indonesia and Brazil into the world's top four polluters. The Stern Review concluded that forests offer the single largest chance for cost-effective and immediate reductions of carbon emissions.

The Petitioners therefore request that the House of Commons urges the British Government to encourage nations to halt deforestation in the Tropics and adopt the following policies:

- Ensure that carbon credits for reducing emissions from deforestation and the protection of standing forests are included in all national and international carbon markets, especially those created by the UN Framework Convention on Climate Change;
- Simplify and expand carbon market rules, including the Clean Development mechanism, to encourage reforestation, afforestation and sustainable forest management;
- Include topical forest and land use carbon credits in the European Union Trading Scheme, while maintaining strong incentives to reduce industrial emissions;
- Encourage early action and new market mechanisms that recognise the value of carbon stocks and forest ecosystem services, and support appropriate voluntary carbon market standards;
- Provide assistance for developing nations to build capacity to fully participate in the carbon markets, and to evaluate the ecosystem services their forests provide; and
- Incentivise the sustainable use of degraded land and ecosystems, and remove incentives that encourage forest destruction.

And the Petitioners remain, etc.

[P000100]

Debt Collection Agencies (Mrs. Beryl Brazier)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Alan Campbell.]*

6.59 pm

Mr. Mark Todd (South Derbyshire) (Lab): This brief debate will focus on a tragic death, one critical error and a series of other errors and misjudgments that contributed to a lady's death. I speak of Mrs. Beryl Brazier, who lived in my constituency for some considerable time. She moved house, and I will deal with the implications of her doing so.

Let me go through the sequence of events. Mrs. Brazier opened a credit account with GE Capital bank in 1998. She managed it perfectly well until she moved house in 2005, when she had arrears of about £500. She did not move far—just to another home in the Swadlincote urban area. GE Capital sought to trace her, using a tracing company, Westcot credit services, which subcontracted the task to another company, DataTrace. That company successfully traced her and spoke to her on the phone. She was perfectly amicable and provided all the details requested.

At the same time, the company was tracing a number of other debtors, including a Mr. Noorullah, but it failed to provide a tracing address for him. In preparing the tracing report going back to Westcot credit services, it used a formatted document in which Mr. Noorullah's and Mrs. Brazier's data, which included her telephone number, were transposed. Thus Mr. Noorullah was reported as living at Mrs. Brazier's address. GE Capital reported this address for Mr. Noorullah to Experian, the national credit reference agency, as a live address. It continued to pursue Mr. Noorullah's address, because it had a debt to recover from him as well. The letter was returned. The address was queried with Westcot, but Westcot did not pass the query back to the originator of the research, DataTrace, and there is no record of exactly how it attempted to check the address. It seems unlikely that the phone contact provided was actually used.

Westcot reported back to GE Capital that Mr. Noorullah was no longer at that address; it provided no more information than that. Curiously enough, and possibly because there is no evidence that Mrs. Brazier was anything other than an honest woman and may have provided forwarding information, GE Capital had by then received notification of Mrs. Brazier's correct address, which was held on the system. GE Capital then updated the Experian database for Mr. Noorullah with a "Gone away" marker, indicating that that address was unreliable. It then decided for its own business reasons to sell on Mr. Noorullah's debt to a company called Aktiv Kapital, which contracted another company, Thames Credit, to pursue the debt. For reasons that are not entirely clear, although GE Capital now knew Mrs. Brazier's correct address, it seemed not to have pursued her for her own debt.

It appears that Thames Credit sourced the address for Mr. Noorullah from Experian. That should have meant that the address provided was indicated as not being reliable; as I have explained, it would have had a "Gone away" marker on it. Thames Credit or Aktiv Kapital appear to have held other debts for Mr. Noorullah, which were combined with the one owed to GE Capital to produce a sum in excess of £15,000. Letters addressed to Mr. Noorullah were sent to Mrs. Brazier's address. They were initially returned, just as earlier correspondence from GE Capital was returned as "Not known at this address", as hon. Members will recall. However, they continued to arrive.

Mrs. Brazier then visited the local citizens advice bureau in Swadlincote, on 23 February 2006, with a family member. The CAB asserts that it rang Thames Credit to say that Mr. Noorullah did not live at Mrs. Brazier's address. Although the CAB has provided convincing detail of the call, describing the person answering it and the conversation that followed, Thames Credit claims to have no record of such a call.

Mrs. Brazier's daughter reported that the visit to the citizens advice bureau had cheered Mrs. Brazier up considerably. She had become anxious about the correspondence arriving at her address and wanted the matter resolved. Indeed, some of the correspondence, to which I shall turn shortly, was quite threatening in tone and was causing her considerable anxiety. She was therefore much happier when the CAB said that it had spoken to Thames Credit and that the letters would stop coming as a result. But the letters did not stop coming; they continued to arrive and, in fact, became rather more aggressive, referring to field agents arriving at her home unannounced. That led Mrs. Brazier to lock herself in, even when with family members.

On 3 April, after another letter had been received, Mrs. Brazier telephoned Thames Credit and said that she had lived in her home for two years and did not know Mr. Noorullah. However, she had been receiving letters to him and felt that she should make a payment. She would send £600. In spite of the fact that she said otherwise, the negotiator apparently assumed that she did know Mr. Noorullah. A payment of £500 was duly received by Thames Credit and banked. The cheque was accompanied by a note, clearly from Mrs. Brazier, saying that she would forward £50 a week towards the debt. Her life savings before that withdrawal were around £1,000, so she had withdrawn half her life savings to make payments towards a debt incurred by another.

On 6 April, Mrs. Brazier's body was found in a local pond. Further letters then arrived at her address and were of course found by her family members, including one that asserted:

> "through public databases it has been confirmed that Mr. Noorullah is living at the address shown on this letter".

There was also a letter to Mr. Noorullah that acknowledged receipt of the £500, but which made no reference to Mrs. Brazier's having been the agent of the payment.

An inquest was held into Mrs. Brazier's death, the main hearing being in September 2007. Attending were representatives of all the companies involved, except for Aktiv Kapital and Thames Credit. The companies attending were cross-examined, and in an adjournment the deputy coroner conducting the inquest expressed the view that Thames Credit should have been asked to attend, to answer questions on its role. He felt that that was the right thing to do, bearing in mind the direction in which the evidence was turning in the inquest. The family, perfectly understandably, declined an adjournment. They were anxious to bring the terrible episode to an end and bring closure to an appalling experience.

I have a number of concerns and queries about what happened. First, I accept that companies involved in the business of collecting debt have to deal with people who may attempt to deceive and mislead, and that mechanisms that assume the integrity of those sought are probably unrealistic. However, this case highlights how reasonable approaches to handling data, maintaining its quality, verifying information and dealing with potentially vulnerable people are readily neglected. In several areas, companies involved in the case appear to have followed neither the voluntary code of their own industry nor the Office of Fair Trading guidance.

First, let me turn to the guidance given by the Credit Services Association, the industry's own body. It says, first, that a member should

> "take all possible steps to verify that the person being pursued is in fact the debtor".

Thames Credit appears to have used Experian data carrying a "Gone away" marker, unless it is claimed that that information was not passed on by Experian, in which case Experian are partly at fault. However, Experian's terms and conditions in selling data to a third party make it clear that the data offered is

> "not intended to be used as the sole basis for any business decision",

and the client—in this case, Thames Credit—agrees to take reasonable steps to confirm the identity of a debtor before taking any action to recover the relevant debt where a home address has not been provided. In Thames Credit's submission to the coroner, it indicates no use of any other source than Experian, and it asserts through its solicitor that

> "the overall accuracy of such data-matching is in the region of 98 per cent. and therefore high".

However, that is not the view of people working in the industry, who regard Experian as providing data that is a first point of call for someone seeking to trace a debtor, and not as a desperately reliable source of where that person is.

As my story reveals, it had already been identified that Mr. Noorullah no longer lived at that address, if he ever had—and of course he had not. Indeed, one source from the industry has told me that reckless use of unverified and completely incorrect address information by debt collection agencies is widespread. If so, this terrible case with a tragedy attached to it is merely the most extreme end of a spectrum of practices that are no doubt going on in many Members' constituencies.

Secondly, a member

> "should offer maximum co-operation with the debtor's nominated or chosen third party".

If the CAB did indeed contact Thames Credit, then that obligation was not complied with. Among the OFT's examples of unfair practice are

> "not ceasing collection activities whilst investigating a reasonably queried or disputed debt."

In this case, mail was returned. It is appropriate to contrast the actions taken by GE Capital and by Thames Credit. GE Capital immediately referred the doubt back to the agent who supplied the data, who regrettably did not check their source. It seems that they ceased mailing to this address and flagged the Experian file as "Gone away". Thames Credit appears to have carried on regardless, despite returned mail and a phone call from Mrs. Brazier in which she made it clear that Mr. Noorullah did not live at her address and was unknown to her. It is also possible that it received a call from CAB. These actions were based, it seems, on one piece of data which was at best dubious.

The OFT also makes it clear that

> "threatening to visit debtors without prior agreement",

which happened in this case, is an unfair practice when a debt is disputed. Correspondence from Thames Credit includes just such a threat. The letter with Mrs. Brazier's handwriting on it demanding £15,670.70 threatened that should Mr. Noorullah—of course, all the letters were addressed to him—not contact the company within 14 days, field agents would call at her address to discuss repayment. I am afraid that to a 61-year-old lady that sounds like a pretty heavy threat. At that point, she called the company and spoke to it, but not much good did it do.

One must also ask whether the negotiator involved at Thames Credit behaved reasonably. From Thames Credit's own account, Mrs. Brazier made it clear that she did not know the man in question and that he did not live at her address—yet she was offering a large payment. Surely that should have triggered concern that the company was dealing with an anxious and confused person—but the payment was banked and the correspondence continued to come.

It should be the case, where an address is queried and it has been provided by a third party—in this case, DataTrace—that at the very least, as part of the quality control in the contract, the doubt should be referred back to the source. That was not done by Westcot earlier in the saga. Had that happened, the subsequent mismanagement of erroneous data would have been irrelevant.

This has been a grim story, and a terrible experience for Mrs. Brazier's family. They wish me to ensure that, as far as possible, such an experience should never be repeated. I share that wish. From my understanding of the issues in the case, the Office of Fair Trading should review the performance of the companies involved and their compliance with its code. The Information Commissioner should also examine their data management practices. The industry body may also wish to consider the compliance with its code in this case. The family and I stand ready to assist in all those matters, and I look forward to the Minister's reply.

7.15 pm

The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Mr. Gareth Thomas): In the traditional way, I congratulate my hon. Friend the Member for South Derbyshire (Mr. Todd) on securing this debate. I commend him for the way in which he has set out his concerns. Having listened to his comments, I have to say that I share his profound concern about what has gone on in this case. As he rightly described, it is a truly tragic case that should not have been allowed to happen.

I should say at the outset that the Government are well aware that personal debt can become a great problem for individuals. That is why we are working across Departments to try to minimise collectively the number of people who become over-indebted, and to improve the support and processes for those who have fallen into unsustainable debt.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): On that point, I was moved to hear the speech by my hon. Friend the Member for South Derbyshire (Mr. Todd). It is a terrible tragedy. I congratulate the Government on allocating additional resources: field officers have been appointed to the regions to act on information and to target areas that are susceptible to that sort of debt collecting. Does the Minister agree that, as resources allow, we need to see more field officers who can tackle such practices, particularly in areas such as Sunderland, where we have had real problems, so that we can target some of the scum who prey on the elderly and vulnerable in our communities?

Mr. Thomas: I know that my hon. Friend and indeed a number of other hon. Friends have been particularly concerned to ensure that the illegal moneylending pilots in Birmingham and Glasgow are rolled out across the country to target the loan sharks who, as he said, prey on those people who are perhaps desperate for credit. I welcome his interest. I know that he has been concerned that Sunderland should be targeted and receive support from those pilots. I can confirm that Sunderland will be covered. Obviously, we would want to receive any evidence that he or organisations operating in his constituency have about the activities of loan sharks.

The case that my hon. Friend the Member for South Derbyshire set out so clearly is a powerful reminder to us all in government, and indeed in the House, that the work to tackle over-indebtedness continues to be important and that we cannot afford to let up our focus on it.

What makes this case even more shocking and tragic is that Mrs Brazier did not even owe the money that she was being hounded for. Clearly, it seems that serious errors were made in the case. As my hon. Friend rightly described, the issues highlighted by the case include complaints alleging that Westcot, DataTrace, Thames Credit and GE Capital, which all hold consumer credit licences, failed properly to investigate Mrs. Brazier's claim that she was not responsible for the debts for which she was being pursued. Mrs Brazier should not have been put in that position. That failure lies at the heart of the tragedy.

We do of course need to establish the full facts, but somewhere along the line something has gone seriously wrong. I will seek to do what I can to make sure that appropriate action is taken. I can confirm to the House that I am writing to John Fingleton, chief executive of the Office of Fair Trading, setting out my concerns about the case. I am confident that the OFT will be looking into the circumstances surrounding the case and will take appropriate action.

This was a preventable tragedy, it would seem. A number of measures could have been taken. For example, Mrs Brazier could have been advised to ask the Information Commissioner to intervene, in particular as to whether the processing of her data complied with the Data Protection Act 1998, which says that information held on an individual must be accurate.

In the first instance, the Information Commissioner's Office would normally encourage the individual to write to the organisation direct and ask for its information to be corrected. If that does not happen, the ICO can investigate and take enforcement action. Given that, I will write to Richard Thomas, the Information Commissioner, to ask him to consider whether there has been a breach of the data protection rules and to take any action necessary.

Even though it would seem that Mrs. Brazier was unable to prevent the pursuit of this debt, there are still serious questions to be asked about the methods used in its pursuit. It is quite right in these circumstances, as my hon. Friend the Member for South Derbyshire has done, to put the spotlight on the regulation of this sector. Debt collectors are regulated, and have been for some time, under the Consumer Credit Act 1974. The OFT has a statutory duty under the Act to ensure that licences are only given to and retained by those who are fit to hold them. The OFT must, when determining whether or not a licensee is fit to hold a licence, consider any evidence that the licensee has engaged in business practices that appear to be deceitful or oppressive or otherwise unfair or improper.

Debt collectors that hold a consumer credit licence need also to comply with specific fitness guidance that the OFT has issued covering the debt collecting sector. That guidance covers a number of practices; in particular it says that putting undue pressure on debtors is considered to be oppressive, while ignoring claims that a debt is disputed would constitute an unfair practice on the part of the debt collector.

As was the case here, debts are often disputed by those being pursued for the debt. The OFT says that debt collection agencies should make reasonable efforts to obtain from a creditor or other agency clients sufficient information about the debt. For example, the OFT would expect the debt collection agency to have checked the accuracy of the client data details it has received from the creditor and also, where possible, obtained a copy of the original consumer credit agreement.

If a licensed debt collection agency or creditor persistently fails to comply with the OFT's debt collection guidance or there is evidence to substantiate claims that the licence holder has engaged in unfair business practices, the OFT can ultimately revoke its licence. Since 2003, nine notices to debt collectors have been issued by the OFT that it was minded to refuse or revoke their licences.

It would seem that the conduct involved in the case we are discussing today might constitute a failure to comply with the OFT's debt collection guidance and would consequently be relevant to a consideration of fitness to hold a consumer credit licence. In addition to the current rules relating to the debt collection sector, we are also introducing new laws that will strengthen and add flexibility to the regulatory options available to the OFT in operating the consumer credit licensing regime. The OFT has been given new powers by the Consumer Credit Act 200[illegible], which come into force in April 2008. These will allow the OFT to place requirements on licensees to modify conduct and impose financial penalties of up to £50,000 for a failure to comply with a requirement. The OFT will also have new information-gathering powers, enabling it more effectively to monitor compliance by seeking information from licensed businesses about their activities including, for example, their debt collection practices.

In addition, the Act also gives the OFT powers to take into account a company's competence lawfully to provide credit when assessing fitness to hold a licence.

From April next year, the OFT will move to a strengthened gatekeeper role, requiring the provision of more information from businesses engaged in "high risk credit activities" such as debt collection at the application stage in order to satisfy itself that the business will be "credit competent". In some cases, it will commission an on-site visit and a report from Trading Standards.

The OFT published consultation documents earlier this year setting out its proposed policy for applying its new licensing powers under the 2006 Act.

Mr. Kemp: Many of the companies my hon. Friend talks about taking action against are actually wholly owned subsidiaries of big banks and building societies in the UK, and I think a little more focus on the attitude of those parent companies would generate a bit more attention in terms of punishment for inappropriate actions.

Mr. Thomas: My hon. Friend brings me on to a compliance review the OFT carried out on its debt collection guidance on which it published a report in December 2006. The key findings of that report were that although awareness about the guidance was high and there had been positive changes in industry behaviour since its issue, there was still more that the debt collection industry could do to improve levels of compliance—as has been hinted at. I think that that is an important message and I will be writing to the main trade association, the Credit Services Association, along those lines. While we recognise the industry is making efforts to raise standards, there is clearly more that can be done.

Debt collection compliance monitoring and enforcement is being integrated into the OFT's strategy for implementing the 2006 Act. From April 2008, the OFT will use its new powers to enforce compliance with the guidance. In the interim, the OFT is committed to working with industry, trade bodies and consumer advice groups with a view to securing improved compliance. The OFT will seek to do that through raising awareness of the guidance still further and of the good practice standards, as well as by making it easier to report and to investigate alleged breaches.

I am assured that the OFT will rigorously monitor compliance and raise awareness about the debt collection guidance and the standards of conduct we expect from licensees operating in this sector. I know that my hon. Friend the Member for South Derbyshire will expect me and the Department for Business, Enterprise and Regulatory Reform to continue to monitor how the work that I have set out in response to the issues he has raised progresses. I give him an assurance that I will continue to monitor that progress and that I am happy to write to him at an appropriate time in the new year to set out how things have moved forward.

More generally, I also encourage Members, consumer groups, advice agencies and individuals to raise any concerns they are aware of with the OFT using the complaints procedures to which I referred. As this case demonstrates, it is crucial that the OFT gets the evidence it needs to pursue investigations of malpractice in the sector.

I commend my hon. Friend for the way in which he has set out and pursued the case. I recognise that there are a series of concerns about what happened, and I hope that the action that I have committed to take offers him and the family of Mrs. Brazier reassurance that the Government take seriously the concerns that the case has raised. I have no doubt that he will continue to follow how we implement our commitments, and I look forward to a continued dialogue with him and, if necessary, with other Members about the issues that this case has raised.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Seven o'clock.

Westminster Hall

Tuesday 11 December 2007

[MR. ERIC MARTLEW *in the Chair*]

Canals

Motion made, and Question proposed, That the sitting be now adjourned.—*[Ms Diana R. Johnson.]*

9.30 am

Michael Fabricant (Lichfield) (Con): I am grateful for this second opportunity to debate the future of our canals. As you may know, Mr. Martlew, I was fortunate to win an Adjournment debate on this very subject in April. Now, as then, I declare an interest: I am a member of the Lichfield branch of the Inland Waterways Association—and, as of a few months ago, patron of the Lichfield and Hatherton Canals Restoration Trust.

I am a keen narrow-boater and I have travelled much of the system. Should there have been any doubt about that, last summer I was running down a towpath in dirty shorts and a sweatshirt and holding a windlass, when I literally bumped into one of the directors of British Waterways. If there was any doubt about my narrow-boating credentials, there is none now.

At this point, I welcome the Minister to his first debate on canals and waterways. It is to be hoped that he will be more supportive of the waterways than his predecessor, who was a nincompoop of the first order, and whose departure was marked by the popping of celebratory champagne corks up and down the canals; having followed that marvellous series "Monarchy", I believe that it is called a feu de joie—a fire of joy. That hon. Gentleman has already gone down in history as being the worst waterways Minister in living memory, and the new Minister, the hon. Member for Chatham and Aylesford (Jonathan Shaw), has been warmly welcomed by waterways societies and individuals keen to see a new approach.

The Minister has made at least two visits to canals—indeed, I believe that he may have made four—and he has met many organisations and individuals and received a glowing welcome in the boating press. He told me last night that he is seeing another delegation this afternoon.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw) *indicated assent.*

Michael Fabricant: The Minister confirms that that is the case. I very much hope that he will be able to continue that record by solving the funding issues that canals face. If he is as constructive a Minister as I found him to be as Communities and Local Government Whip, he will do just fine. It demonstrates that there is honour among thieves and Whips.

David Taylor (North-West Leicestershire) (Lab/Co-op): The hon. Gentleman's contribution to this issue is second to none among midlands Members, although I do not share his views about the previous Minister. The Department for Environment, Food and Rural Affairs is so concerned with farming, flooding and fishing that British Waterways' concerns are like a minnow swimming in a sea of whales. Is the location of the responsibility for British Waterways correctly placed with DEFRA, or should it be with a Department that has a greater resonance regarding the concerns that it is trying to deliver on?

Michael Fabricant: The hon. Gentleman is absolutely right. In April's debate, I said just that. To my mind, although inland waterways carry freight—it could be argued that such responsibility should therefore lie with the Department for Transport—they attract so much tourism that I believe that such responsibility should be an important part of the work of the Department for Culture, Media and Sport. Sadly, we are left with what we have; at the moment, it is with DEFRA, and any change would be a decision for the Prime Minister.

The April debate focused on the debacle within DEFRA that created the need for in-year cuts—cuts, we were told, that were a one-off and not to be repeated. That has a somewhat hollow ring today. We also heard reports from hon. Members from around the country of their and their constituents' concerns about the effects of further funding cuts. I spoke—with passion, I hope—saying that our canals are a national treasure not to be cast aside, but to be nurtured by the Government.

Lembit Öpik (Montgomeryshire) (LD) *rose*—

Michael Fabricant: I give way to the hon. Gentleman, who intervened on me in the last debate.

Lembit Öpik: And it was on the very same subject—the Montgomery canal. The hon. Gentleman will be aware that for many years I and others have been campaigning to have the Montgomery canal reconnected to the rest of the canal network. The cuts, which the hon. Gentleman rightly highlights, could jeopardise the entire project. Does he agree that this Minister can earn great honour by reinstating the funding for that and similar projects, to ensure that such canals are reconnected to what is a vital lifeline for our leisure and tourist industries?

Michael Fabricant: The hon. Gentleman is right. I have been on that canal, but I could not use the same narrow-boat that I use in England because the Montgomery canal is a disconnected system. I had to hire a narrow-boat, but the canal is worth visiting as the area is very beautiful. Not only would there be a certain logic in reconnecting it to the rest of the system; it would generate valuable income for that part of Wales. As some hon. Members will know, my mother was Welsh and I have certain connections with the area.

People come from around the world to marvel at our network of 2,500 miles of canals, and millions of people in this country use them daily for recreation, sport and travelling to work—and for a breath of fresh air. The canals play a key role in regenerating our towns and cities, providing a heart—a lung—around which regeneration can start.

[Michael Fabricant]

The Minister need only to go to Manchester or Birmingham to see for himself how the canals are central to millions of pounds-worth of regeneration. Indeed, until recently the Government had a reasonable track record in supporting our canals. Over the last few years, they played a crucial role in developing our canal system along with local councils, organisations such as the Inland Waterways Association, canal trusts and others. However, that good will has been lost in the last few years.

Last summer the Environment, Food and Rural Affairs Select Committee held an inquiry into British Waterways. Among its conclusions, it called for British Waterways and the Government to work together to solve a projected £35 million under-spend on major works. British Waterways told the Committee that if it received the anticipated comprehensive spending review settlement of RPI minus 5 per cent., the network would not be fit for purpose by the end of the review period.

It would be fair to say there has been some debate about figures, and I understand that the National Audit Office is shortly to report on the matter. Will the Minister enlighten us as to the conclusions? Whatever figure is finally decided on, how will the shortfall be met?

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate the hon. Gentleman on returning to the subject. I have some knowledge of the report that he mentioned because I chaired the investigation. The figures were somewhat opaque, and before we cast aspersions, we need complete clarity. The Committee asked British Waterways for such information on a number of occasions, and to be fair, it has been more open. However, part of the problem is that we do not know what the figures really mean.

Michael Fabricant: I thank the hon. Gentleman for his helpful intervention. I hope that British Waterways will pay attention to our debate and that it will shortly provide the figures that the Committee has called for; then I and others attending this debate will table parliamentary questions to ask precisely what the Minister and his Department will do. However, I am not going to let the Minister off the hook. I hope that he can give us some indication as to what the Government think the shortfall is and how they intend to fill the gap.

The Select Committee also called for better communication between British Waterways and the Government. It has been reported that a status review is currently considering ways to allow British Waterways more financial flexibility. Has the review been completed, and if so what were its conclusions? Those are some of the questions I would like the Minister to answer in his response to the debate.

That is all to be welcomed, but sadly the Select Committee's main concerns about the effects of cuts and the need for sustained and planned funding for British Waterways and for the Environment Agency have not been addressed. British Waterways is consulting users on how to make up the current deficit. That is even after 180 job cuts, which have included some of the country's most noted experts on waterways maintenance and restoration and on the carriage of freight by water.

I understand that it costs £125 million annually to maintain our canals. Even after the cuts that I outlined, British Waterways has only 85 per cent. of the money needed to fulfil that obligation. It is seeking ideas from users on how it might bridge the gap—ranging from increasing licences, which is controversial for all boat owners, to increasing income from its property portfolio. However, boaters seem set to shoulder much of the burden. Mooring fees are set to rise dramatically and annual licence fees will rise by a third.

Sir Peter Soulsby (Leicester, South) (Lab): Does the hon. Gentleman agree that if British Waterways sought to meet the deficit through a massive increase in licence fees, it would be a major deterrent to people who use the waterways—people who are often on comparatively low incomes—and who ought to be encouraged further to do so, in order to make them the lively and thriving places that they deserve to be?

Michael Fabricant: The hon. Gentleman is correct. Our waterways are not there just for regeneration and property values, or for people who can afford to hire boats and enjoy expensive holidays for two or three weeks when they fly over from California or Israel, which I have seen boaters do. They are there also for those who live on our canals and make them such an interesting and thriving part of our nation's life. He is correct to highlight that point, because if we drive those people away from our canals, we will lose the atmosphere that so many people enjoy observing.

As the hon. Gentleman said, increasing the licence fees would be an unfair burden, given that boaters constitute a tiny percentage of users who enjoy our canals. A recent survey found that just 3 per cent. of canal users were waterborne, while the other 97 per cent. enjoyed the spectacle, colour and movement that the boaters brought to the scene. I believe that the value that we all gain from our waterways should be a shared cost and should not fall on just a few, which means that DERFRA must contribute and raise money from taxation.

Jo Swinson (East Dunbartonshire) (LD): I congratulate the hon. Gentleman on securing this important debate. Does he agree that we should sometimes look to investment in canals? My constituency covers Kirkintilloch, which is the canal capital of Scotland and has been used as a redevelopment mechanism to stimulate regeneration in the economy; indeed, we have a new mariner centre and an arts and culture centre. That has knock-on benefits for everybody in the community. It is an investment from which to reap benefits in future.

Michael Fabricant: The hon. Lady is quite right. As I said, we need only look at the centres of Birmingham and Manchester, which have been revitalised from being, frankly, rather run-down slums that nobody wanted to visit to being gorgeous areas that everybody wants to visit. I have some friends who often visit the canal district of Manchester, but the least said about that the better.

Bob Spink (Castle Point) (Con): My hon. Friend has spoken before about the regeneration that can follow from investment in canals and about the multiplier effect. He said that for every pound spent, a much greater sum is received from tourism, regeneration, flood management and so on. Has he sought to quantify that sum? Can he tell us what that multiplier is?

Michael Fabricant: As a humble Back Bencher, I am a great believer in passing the buck on occasions. I did an economics degree and I know that cost-benefit analyses and multiplier effects need to be calculated by many people, so I shall throw that over to the Minister. My hon. Friend could table a parliamentary question to that effect, and the Minister could get his Department to analyse the multiplier effect. It would be wrong for me to guess, but I know that it is many times the actual investment, as so many hon. Members have pointed out already.

The effect of this year's canal cuts can be seen across the network already and on the linking rivers run by the Environment Agency. The Secretary of State admitted as much in his answer to my question on DEFRA cuts last Thursday. Freight businesses are feeling the effects of a lack of dredging by British Waterways. Boat owners associations tell me that British Waterways is not keeping the navigation to the required depth, as laid down by Parliament. One operator in south Yorkshire informed me that the depth in Doncaster has been reduced—hopefully temporarily—from 8 ft 3 in to 7 ft 2 in, resulting in its barges being forced to carry less tonnage. That is at a time when DEFRA is supposed to be leading the charge to tackle climate change and reduce emissions—something that waterborne freight achieves.

A freedom of information answer requested by the Inland Waterways Association last week produced a list from British Waterways of £3.8 million of deferred maintenance in this year alone. British Waterways pointed out that those were not due to DEFRA cuts, but to floods, to property portfolios failing to deliver on time, to rising construction inflation and to a major canal breach on the Brecon and Abergavenny canal at Gilwern. That breach occurred in October when the canal burst its banks in, I am told, a most dramatic fashion. So violent was the torrent that swept through the area that eight people had to be rescued and a major A road was closed for several days. The canal may remain closed for a couple of years, which will seriously affect local businesses.

David Taylor: I was on the Environment, Food and Rural Affairs Committee whose report was referred to earlier in this debate. It is a question of "once more unto the breach", in the sense that in the last 12 months we have seen a number of unexpected and expensive breaches that have required major capital expenditure to head them off or to repair them. Regardless of what the Minister says when he winds up, will he explain how a saner, more rational and more effective system for handling major capital projects on the waterway network can be introduced, irrespective of other considerations? It is that crucial.

Michael Fabricant: The hon. Gentleman is right to say that that is crucial, but I must remind him that, sadly, my party is not in government—his party is. It is up to the Minister to answer his question. I think, however, that he directed it at him, and he might like to address it.

The cost to British Waterways of those breaches and flooding is about £1.4 million. British Waterways cancelled major works on the River Weaver to pay for those costs. This is a short-term robbing of Peter to pay Paul. What will happen if there is a major catastrophe costing many lives and millions of pounds as a consequence of that lack of maintenance? The Government will have blood on their hands. They will not be able to claim that they did not anticipate such a thing happening, because I and other hon. Members are telling the Minister now that it can.

Other maintenance work listed as "deferred" included culvert inspections. That might seem harmless enough, but failure to inspect culverts can lead to massive structural failure similar to that experienced at Gilwern. British Waterways rates its key structures like bridges and aqueducts from A to E—A is very good, E is bad. Each year more of its structures slip to D and E. Gilwern was a D, and today nearly 28 per cent. of British Waterways' structures are D and E. They need urgent maintenance.

The situation on the Thames, which is run by the Environment Agency, is no better—in fact it is possibly worse, as navigation took a bigger cut in the agency's budget this year. Some 16 lock-keepers have lost their posts from a total of 76. Many locks will, therefore, be unmanned as lock-keepers will have more than one lock or weir to maintain. At the same time, boat licence fees rose 12 per cent. this year and will rise a further 11.5 per cent. next year. Boating numbers have dropped by 8 per cent. as a direct consequence.

The other effect of the cuts is on the expansion of the network. Throughout the country, teams of volunteers from canal trusts and societies, supported by local councils, the lottery and even the Government, are working away to restore and reopen waterways that were neglected and left to decline following the second world war. They have been very successful. New business opportunities are created, as the hon. Members for East Dunbartonshire (Jo Swinson) and for Montgomeryshire (Lembit Öpik) said. The system can take more boats, and neglected parts of town and country are regenerated. Ministers are delighted to go along and open those new developments, but unfortunately they will have a few more free dates in their diaries if the cuts continue.

British Waterways has been critical in bringing canals back to life, but I fear for my local trust, the Lichfield and Hatherton Canals Restoration Trust. It was founded in 1988 to restore its two canals, with the wider purpose of pushing forward the regeneration of the underused and decaying canals north of Birmingham. They are classed as "remainder" canals, and they therefore receive only basic maintenance. By restoring those two canals, each about 7 miles long and abandoned in the 1960s, the trust could bring great benefits to Lichfield and other towns, and provide appealing connections to the main canal network. Nearby canals are almost too popular at peak times. There is a clear need to reopen those that are closed and to regenerate those that are underused and neglected—as any narrow-boater in peak season, queuing up to go through a lock, can testify.

[Michael Fabricant]

It has fallen to the volunteers to initiate and carry forward that work, raising the funds themselves with very little support from official bodies. British Waterways has been supportive in times of difficulty, but it has neither the funds nor the resources following the recent funding cutbacks. During the past 10 years, the trust has brought £3 million of inward investment to southern Staffordshire, which was a huge task. In the past year, it has raised a further £240,000 to fund a crossing of the new Lichfield bypass. Such projects were forced on the trust by the imminent construction of new roads and the unwillingness of motorway builders and local authorities to bear the cost. It was a very heavy burden for a trust with 1,500 members and no access to major funding.

It is generally accepted that the restored canals will bring great benefits to the area and to the national economy, but there is no national political will even to assist with the costs. The Minister may be unaware of this fact, but volunteer work goes on every weekend to rebuild locks and to reconstruct the infrastructure that was lost almost half a century ago. Impressive progress has been made and more will follow, but it is clear that unless major cash injections can be found, neither the Lichfield nor the Hatherton canals will be open to traffic within the lifetime of many of those people who have already dedicated almost 20 years to the work. A whole generation of walkers, anglers, boaters and others will have missed out on an invaluable experience.

Will the Minister accept my invitation to come up to Lichfield and see some of the restoration work that has been undertaken, including the provision of attractive adjoining parkland? He is not nodding now, but I hope that he will nod in agreement when he responds.

Sir Peter Soulsby: May I join the hon. Gentleman in paying tribute to the excellent work of the Lichfield and Hatherton Canals Restoration Trust, and to its endeavour to create a link with the top end of the Birmingham canal navigations, which, as he rightly says, is so underused? Indeed, many similar trusts do similar work throughout the network. Does he agree that the potential for further cuts in the funding of British Waterways is, as much as anything, a major threat to its capacity to respond to such trusts, to help them with their regeneration work and to provide, where necessary, leadership and support for that work? That threat is at least as, if not more, important than the threat to capital expenditure directly. The support for those trusts is so valuable and it could be lost.

Michael Fabricant: That is a very valid point. I should not underestimate, however, the capital works to maintain the existing canal network. As good as the existing network is, it is a terrible shame that so many canals were filled in 50 or 60 years ago, because they now have to be reopened in order to complete the network and make it a living, interconnected whole, and the cuts will jeopardise that work.

The major restoration schemes that came to fruition in the previous decade, notably the Huddersfield narrow canal and the Rochdale canal, did so only when local authorities—supported by British Waterways, which is the very point that the hon. Gentleman made—finally saw that the volunteers needed serious backing. Partnerships were then constructed which were able to drive the schemes forward. It seems that in the current climate, much more is expected of the volunteers. What is needed is local council willingness to adopt restoration schemes and push them forward, instead of just cheering on the dedicated amateurs. However, the local government settlement, which the Government have just announced, means that councils are even more starved of cash.

Major national projects need major national funding. Canals are for everybody, not just for people lucky enough to have a boat. Restoring the Lichfield and Hatherton canals will bring enormous regeneration potential to the west midlands conurbation, as well as major benefits to much of Staffordshire. If reports prove to be true, the task may be even more difficult, as British Waterways' shortfall has grown even bigger. Over the weekend of 17 to 18 November, we learned from the press that there were to be further cuts throughout DEFRA. Ministers are to be presented with £130 million of immediate cuts to DEFRA's budget, with radical options for another £140 million of savings. Those cuts would affect all the Department-funded bodies, including British Waterways and the Environment Agency, and they would be an addition to the 5 per cent. year-on-year cuts that have already been mentioned.

British Waterways is allegedly at the top of the list for further cuts to funding. Although the comprehensive spending review settlement for the Department appeared to present a real increase to the Department's budget, it emerged only later, during evidence to the Select Committee on Environment, Food and Rural Affairs, that a number of new priorities from Downing street had been added to the Department's funding obligations and that their cost would have to be taken from existing budgets because no additional funds had been allocated. One must assume that DEFRA Ministers are shuddering at the thought that they may face further commitments after the Bali conference on climate change. On top of all that, the effects of this summer's flooding and the breach in the Brecon and Abergavenny canal will create further demands.

During the floods, British Waterways played a largely unsung role in removing hundreds of millions of gallons of water from canals and rivers throughout the country—water that would otherwise have significantly increased the number of towns and villages affected and the depth of the flooding. The programme cost more than £10 million. Is that not an obvious case in which the Treasury should allocate additional funds to waterways managers to cope with such disasters? It was outside the managers' control. That was the very point that the hon. Member for North-West Leicestershire (David Taylor) made.

I have several additional questions for the Minister to address. I have given him notice of them, so I hope that he will be able to give full answers. Is it morally right that those people who had no involvement in the outbreaks of foot and mouth disease, bluetongue and bird flu should pay the costs? Have Ministers managed to bridge the departmental funding gap without resorting to raiding other agencies' budgets? Have they made an application to the Treasury for increased funding to cover the unexpected costs incurred because of flooding this summer? If they have made such representations, what were the results of their efforts?

Does the Minister agree that our canals are a shared resource that we all enjoy, and that costs should not fall disproportionately on the few—the boaters, who are just 3 per cent. of people who actually enjoy the canals? Has the new cross-departmental committee met, and if so has the Minister been successful in obtaining financial support from other Departments that benefit from our waterways? Has the status report on British Waterways been delivered to Ministers, and if so, what were its conclusions? How is the financial shortfall that I mentioned going to be met? Is the Minister hopeful for the future of our canals, and will he be the champion, who is so desperately needed, in the Government?

I hope that the Minister will answer my questions positively. Our inland waterways are too important to be treated in that cavalier manner. The two previous Secretaries of State have both gone on to become Foreign Secretary, leaving a trail of trouble behind them. The first of the two, in particular, deserved to be sacked, not promoted. However, that pattern of career progression should not be relied on; certainly the Minister's direct predecessor did not enjoy that perverse reward.

I hope that the new waterways Minister will stand up for our canals and inland waterways and leave them in a better state than he found them. He can do that only if DEFRA owns up to its responsibilities instead of lurching from one disaster to another. Rather like the Prime Minister, the Minister will find that his good press and good will will rapidly evaporate otherwise.

Several hon. Members *rose—*

Mr. Eric Martlew (in the Chair): Order I intend to call the winding-up speeches at about 10.30 am, so I ask hon. Members to make short speeches.

10 am

Mr. Bob Laxton (Derby, North) (Lab): I congratulate the hon. Member for Lichfield (Michael Fabricant) on obtaining this Adjournment debate. Like him, I welcome the new waterways Minister, but I shall not go so far as to endorse the hon. Gentleman's comments and the rather unparliamentary language, I suspect, that he used about the previous Minister.

Michael Fabricant: On a point of order, Mr. Martlew. I am sure that, if "nincompoop" were unparliamentary, you would have called me to order.

Mr. Eric Martlew (in the Chair): That is true.

Mr. Laxton: That is as may be.

I wish to refer to the exceptional usage that the canal system gets. I have a cutting from a Birmingham newspaper, headed "Noddy floats in to walk with the stars". It states:

> "A celebration of Birmingham's canal heritage returned to the city yesterday with 19 decorated boats winding their way from the National Indoor Arena to the Mailbox."

The event was watched by more than 25,000 people, who flocked to the city centre's waterways for the procession. The article continues:

> "An added attraction to the parade was the presence of Slade legend Noddy Holder on his very own glam-rock inspired narrowboat as he became the next celebrity member of the city's Walk of Stars. Following in the footsteps of Ozzy Osbourne and Jasper Carrott, he said:
>
> 'I'm really chuffed to be presented with this star. It's great for Birmingham to celebrate their artists, actors and musicians in this way.'"

I raise that point only because—*[Laughter.]* I apologise for the poor imitation of the Brummie accent. What is interesting here is the potential to attract additional income to the canal network, which is much needed.

Last year, the in-year cuts that were imposed upon the grant in aid given by DEFRA to British Waterways caused ructions. The cuts came rapidly, were not programmed in and came mid-financial year, which caused huge problems. Equally, I share the concern expressed by the hon. Member for Lichfield during the later comments in his long contribution. He asked the Minister what will happen in the next year. I hope that the Minister can say what cuts, if any, will be imposed on British Waterways in the next financial year and the one following.

Perhaps I should have said that I have a few interests to declare. I am perhaps one of the people who are described as being on comparatively low income—all these things are comparative, I guess. I hold a licence from British Waterways, and this year the cost of my licence has gone up considerably. It is well over £600 a year, and that will rise next year. I am also chair of the all-party waterways group and president of the Derby and Sandiacre Canal Trust.

In Derbyshire, we have a couple of canals that we hope will be restored. One is the Cromford canal, in the constituency of my hon. Friend the Member for Amber Valley (Judy Mallaber), which is interesting in the light of what is happening in the rail industry. I remember 30 years ago—I must have been insane at the time—wading through a tunnel that was like a rabbit hole for probably close to half a mile, the Butterley tunnel.

What is interesting about Butterley is that it was the major ironworks that produced the huge beams that still hold up the roof of the tremendous new St. Pancras railway station. I could not get any further down the tunnel, because the roof had collapsed and claustrophobia was starting to take its toll, so I waded out pretty quickly. There is a wish to restore that canal.

The other canal is the one in respect of which I am president of the trust. It will bring the canal network right into Derby city centre, with a link up the River Derwent, and provide a unique feature: the Derby arm, a 300-ft structure that will swing boats across the River Derwent, instead of an aqueduct being put in. It will be a huge feature.

Interestingly, the Derby and Sandiacre Canal Trust has just received a £150,000 contribution towards employing a project manager for the next couple of years or so to seek and press forward the development of the canals in Derbyshire—the Cromford canal and the Derby and Sandiacre canal. I share the concern that has been mentioned by a couple of hon. Members that an additional liability will be placed upon British Waterways if those canals are restored. Even if its funding remains as it is, new sections of canal opening up will impose even greater maintenance costs upon it. Worries are emanating from some canal trusts and societies that wish to open new lengths of canal.

Sir Peter Soulsby: On that point, does my hon. Friend agree that it is perverse that the opening of new canals produces liability for British Waterways, even

[Sir Peter Soulsby]

though they are of enormous benefit to the communities that they serve and those who navigate them? Events such as the worthwhile one in the centre of Birmingham, with which he began his speech, can produce a cost to British Waterways rather than an income.

Mr. Laxton: They can, and I agree entirely with my hon. Friend that the costs of opening locks, perhaps having temporary lock-keepers and clearing up after such events fall on British Waterways. It should say, "Here is an opportunity to generate income." I know that it can lock off sections of the Birmingham canal navigation, which I have fallen into on a number of occasions over the years—I can tell the House that it is not a nice place to fall into. That would provide it with an opportunity to put some people on the gates, charge people to come in, perhaps have a few hot dog stalls or whatever, and generate some money. Perhaps British Waterways ought to consider that. My concern is about the impact of canals that are about to be reopened, or will be in the future.

May I pick up on a point that the hon. Member for Lichfield made? He said—I believe that I quote him correctly—that the Government had played a reasonable role in funding the canal network. That is a little disingenuous. To be absolutely blunt, huge sums of money have gone into the canal network over the past 10 years. I can remember the condition of the network 40 years ago, and it bore no resemblance to what it is like now. Up and down the country, anywhere and everywhere, it is so much better. A lot of money has been pumped in by this Government, and we should give credit where credit is due.

I hope that the Minister can give a clear indication of what cuts, if any, are likely to be imposed. I know that other bodies such as English Nature, the Environment Agency and other DEFRA-funded organisations are involved, but I hope that if cuts have to be imposed, they do not fall disproportionately on British Waterways for the very reasons that I have alluded to.

Several hon. Members *rose*—

Mr. Eric Martlew (in the Chair): Order. Again, I ask for short speeches.

10.11 am

Mr. Roger Williams (Brecon and Radnorshire) (LD): I, too, congratulate the hon. Member for Lichfield (Michael Fabricant) on securing the debate and on his continuing interest in the canals and British Waterways. He mentioned the issue to which I wish to refer briefly: the breach in the Monmouthshire and Brecon canal. It is more accurately called that rather than the Abergavenny-Brecon canal.

Yesterday, I visited the breach, which is in the constituency of the hon. Member for Monmouth (David T.C. Davies). The canal runs from Brecon to Pontypool; it used to run to Newport. Its purpose originally was to take limestone to the steelworks and bring back slag and other materials for agricultural use in the more agricultural areas. It had fallen into disrepair by the 1930s, and only through the intervention of British Waterways and the Brecon Beacons national park was it brought back into use. That is an example of the partnerships that British Waterways makes use of so well.

Unfortunately, the breach is a catastrophe for the tourism of the area. A huge amount of material came down the hillside and, as the hon. Member for Lichfield said, it blocked the road and caused great distress to local people. The net result is that the canal has been dewatered from the Ashford tunnel to Pontypool, although water remains in it from the Ashford tunnel up to Brecon. The lack of water obviously affects private boat owners, but it also affects commercial operators such as Dragonfly Cruises and Cambrian Cruisers. In particular, I would like to mention Mr. Lewis of Llangattock, who invested a considerable amount of his own money to construct a marina that now sits on a canal that, as far as he is concerned, has no water. That has a major impact on his income.

When I met British Waterways officials yesterday, I was impressed with their reaction to the situation. To deal with the emergency, the organisation is putting in resources that normally would be used in other parts of its operation. An engineer from Birmingham showed me around. I believe that the hon. Member for Lichfield said that dealing with the breach would probably cost £1.5 million, which is a huge sum, given the annual budget of British Waterways. Far more important is the fact that British Waterways believes that the whole of the section from the breach to Pontypool needs to be improved to ensure that it will be fit for purpose, and the cost of that could be between £10 million and £20 million. One can see what a huge dent that would make in the budget of about £50 million that British Waterways has at its disposal.

British Waterways has done a grand job in keeping everybody informed as to the development of its understanding of the situation. On 19 December, it will convene a meeting in Crickhowell where the major stakeholders will come together, and it will set out its plan to deal with the situation. It anticipates that the canal will be shut along the major part of its length for between a year and 18 months. The effect on the local economy will be serious indeed. Not only commercial boat owners, but the pubs and hotels that benefit from usage of the canal will be affected. Therefore, I ask the Minister to visit the canal. I know that he will receive many invitations to visit canals, but I believe that this case is important.

For some reason that I do not really understand, but which became apparent to me when I was a member of the Environment, Food and Rural Affairs Committee when it carried out the inquiry on British Waterways, the Welsh Assembly Government do not fund British Waterways at all, as opposed to the Scottish Parliament, which does. However, I can tell the Minister that the Assembly Member who represents my constituency has made a request to the Welsh Assembly for funds to try to deal with the problem, and none of us will be backward in trying to find other funding from the national park, local authorities and whatever sources are available.

I impress it on the Minister that the situation is serious for the local economy and the tourist season that will begin in the spring. I ask him to visit the canal. Such a visit would indicate the seriousness with which the Government take the situation and be greatly appreciated by local people.

10.16 am

Charlotte Atkins (Staffordshire, Moorlands) (Lab): I congratulate the hon. Member for Lichfield (Michael Fabricant) on securing this important debate at this crucial time for inland waterways. I hope that the Minister's experience of waterways will have convinced him already that our canals are not just part of our precious national heritage but also an important part of our future. They play an important role in regenerating our towns, cities and countryside.

The canals have enjoyed a renaissance under this Government. Unprecedented funding has brought real benefits to places such as Birmingham, Manchester and even Stoke-on-Trent, but the renaissance is fragile because canals, like roads, fall into disrepair without adequate funding. They cannot survive on past glories. Vital expertise built up by British Waterways' teams is quickly lost if staff are laid off, as occurred in the past year when 180 posts were lost.

But not just jobs are at stake. There is an impact on the wider canal community, which includes local canal trust volunteers who constantly look to develop facilities and come up with ideas about how the canals can be used to attract maximum local interest. The community also includes councils, village publicans, local action groups, wildlife enthusiasts and children's organisations. In the past, British Waterways has been a willing participant and has offered advice on investigating and developing ideas. Often, it took the lead on joint projects that were of benefit to everybody, but now it has insufficient resources to develop and support imaginative schemes. It has fewer staff and there are more demands on those who remain, so opportunities to regenerate, revitalise and underpin the waterway infrastructure are lost.

It is not just the expertise of British Waterways that is unavailable but its presence at the table to convince local partners such as councils, wildlife trusts and businesses that they can have confidence in investing in new projects. Not having the capacity to pursue opportunities with willing participants who are now all convinced of the value of the waterway to their community, British Waterways is missing out on the tide of enthusiasm and risks demoralising it.

Local Caldon and Uttoxeter Canals Trust enthusiasts are trying to drive forward the exciting development of a new canal basin at Leek. It would be a potential catalyst for the improvement and development of a significant part of the market town of Leek and could result in diversification of the economy, which has suffered from the decline of textile and manufacturing industries. A feasibility study was presented to the council, but progress is slow despite considerable public support for enhancing the canal terminus at Leek, which currently comes out at the back of an uninspiring industrial estate. We do not do enough for visitors. The Caldon canal is delightful. Its changing seasonal character is renowned, and attracts visitors in its own right, but the absence of even basic facilities, such as good visitor moorings, interpretation boards and signage, leaves visitors unaware of the local attractions such as the heritage steam railways, and the local pubs, restaurants and shops.

British Waterways plays a crucial role in the nation's flood defence systems. That role was critical during our dreadfully wet summer, but it is not widely acknowledged or rewarded. My constituents are grateful for it, but are the Government? There is a limit to the number of cuts that British Waterways can take and continue to perform that role. Part of its water control efforts includes ensuring protection of some of its principal assets and structures that it knows are in poor condition. We have heard that 28 per cent. of those structures are in poor condition. One such structure with the potential to fail is a large weir at Horsebridge above the hamlet of Denford, not far beyond where the water is released from the main reservoir at Rudyard. That weir cannot be used at time of high water volumes because its poor condition puts neighbouring properties at risk. That is a tiny but critical example, and British Waterways still has massive maintenance arrears.

My constituents cite many examples, and are concerned about the listed Hazelhurst aqueduct, as well as bridges, weirs, and many sections of towpaths and collapsed banks. Last weekend, torrential rain and flooding, worsened by a silted and blocked culvert, has destroyed some of the thousands of hours of work put in by volunteers and British Waterways at Froghall to restore the first lock and basin of the Uttoxeter canal where it joins the Caldon canal. Such damage will have been repeated throughout the country, and there is no end in sight because more such weather is to come.

Directly or indirectly, waterways are an intrinsic part of the business economy, not just of tourism. The Caldon canal plays a vital land drainage role locally. Local businesses have been given permission to expand on the flood plain because the threat of flooding has fallen due to the Caldon canal acting as a great drain. British Waterways has a vital role, and it has suffered considerable cuts this summer. It also has tremendous costs following the summer flooding. Where is the contingency reserve to assist it?

We heard from the Environment Food and Rural Affairs Committee about the projected £35 million underspend on major works. British Waterways should be a recipient of extra Government funding, not a focus for yet more cuts. Where is the long-term funding contract between the Government and British Waterways to provide wider stability to the waterways network? It has long been promised, but is yet to be delivered.

I welcome the new, cross-departmental committee for inland waterways, but has it yet met, and will it help the waterways to tap into funds from other Departments? Has the Minister calculated the tremendous, positive impact of British Waterways during the summer floods, and their economic impact? I hope that he, unlike his predecessor, will be a champion for inland waterways. Much good will has been created over the past 10 years among canal users. Let us not destroy that now.

10.24 am

David Heyes (Ashton-under-Lyne) (Lab): I congratulate the hon. Member for Lichfield (Michael Fabricant) on securing this debate. He has a proud record as a champion of waterways.

[David Heyes]

I share his concerns and those of other hon. Members about the impact that another round of funding cuts will have on our inland waterways. My constituency has a rich canal history. In the centre of Ashton-under-Lyne, the Portland basin is a vital hub in the national canal network at the confluence of the Ashton, Peak Forest and Huddersfield narrow canals. The Ashton canal runs through Droylsden to Manchester to meet the Rochdale and Bridgewater canals, forming part of the Cheshire ring. In recent years, we have seen the successful refurbishment or restoration of all those canals and, most recently, millennium funding has enabled the restoration of the Rochdale canal through Failsworth in the Oldham part of my constituency. That investment has been a key driver in the regeneration of urban spaces alongside those canals throughout my constituency. I am still optimistic that the long-derelict Hollinwood branch canal will be reopened, but I should declare an interest as a member of the Hollinwood canal society.

These debates are becoming too frequent, and this is yet another to deplore the level of cuts imposed on British Waterways because of events and issues elsewhere in the portfolio of the Department for Environment, Food and Rural Affairs. We had similar debates in December last year and, as the hon. Member for Lichfield reminded us, in April this year.

This year, the pressures came from foot and mouth disease, bird flu, bluetongue and, of course, the dreadful flooding in so many parts of the United Kingdom. Those were serious matters and, unfortunately, they may be repeated. The waterways were also affected by the floods, sustaining damage and incurring costs running into millions of pounds.

Surely, there is a limit to how much planned and unplanned budget-cutting the waterways can absorb without reversing the significant progress made between 1999 and 2004. The hon. Member for Lichfield was right to acknowledge that the Government were making good progress until recent times. A DEFRA review published in 2005 highlighted much improvement by British Waterways and referred to

> "a step change in the condition, management and reliability of its inland waterway infrastructure and the elimination of the safety backlog."

It also referred to the following:

> "Completion of six major restoration schemes, costing £177m, creating over 200 miles of new navigation and associated urban and rural regeneration."

That progress and investment is now at risk.

Even with all that investment, some maintenance and repair work never reaches the top of the priority list. Some six or seven years ago, a retaining wall beside the Ashton canal near Ashton-under-Lyne town centre was in danger of collapse. British Waterways made a temporary repair with a large volume of stone chippings piled against the wall. Unfortunately, those stone chippings completely blocked the towpath and part of the waterway. My earliest correspondence with the Ashton-under-Lyne Civic Society and British Waterways on this matter dates back to July 2002. A letter from British Waterways to the civic society dated 17 August 2002 states:

> "I would hope that we would be in a position to start works in the Autumn 2003."

However, a rider states:

> "Please bear in mind that this may change depending on other priorities that are required nearer the time".

The pile of stone chippings is still there, and the temporary repair is still blocking the towpath, just a short distance from the splendidly restored Portland basin. During my most recent correspondence with British Waterways in October this year, it stated:

> "Unfortunately, we have so many areas in need of works, we must programme all jobs based on priority."

It continued:

> "Significant cuts in funding have resulted in tight budgetary constraints which have led to further scrutiny on the jobs that we can and cannot complete within the foreseeable future."

It must surely be clear that while funding for British Waterways remains solely with DEFRA, it will always be the poor relation in the Department with its funding pot being reduced year on year and, even worse, being reduced in-year when events such as flooding and bird or animal diseases impact on DEFRA.

We have heard that there is a strong case for other Departments to make a direct contribution to British Waterways' funding to reflect the contribution that it makes to those Departments' agendas. I thought that that was an eminently sensible suggestion, but the Government's response was lukewarm. They said:

> "Other Government Departments have the flexibility to fund the inland waterways sector direct where it can help deliver specific policy requirements."

If this remains the position, more must be done to protect and to increase DEFRA's funding for British Waterways. Much of the inland waterways network is more than 200 years old, and if funding continues to fall the significant progress earlier in this decade will be undone, the money spent on it will have been wasted, maintenance will fall behind, and it will not be long before there is a safety backlog on the waterways. The pile of stone chippings in Ashton looks set to remain, blocking the towpath for the foreseeable future. I am confident that that testament to the short-sighted view that accords our waterways such low priority will not characterise our new Minister's approach.

10.30 am

Susan Kramer (Richmond Park) (LD): This has been a serious debate, although it has been couched in entertaining terms. I am conscious of the fact that we have a lot of questions for the Minister, however, so I will try to keep my remarks brief.

Several Members have discussed the way in which canals will continue to contribute to the regeneration of some of our most deprived areas, as well as the opportunities that they offer for leisure and tourism and for underpinning the economies of areas with otherwise quite limited sources of income. I want, however, to make a couple of additional comments.

At a time when we need to tackle climate change, we sometimes underestimate the value of canals. Waterborne transport is among the most efficient forms of transport from an emissions perspective, and Tesco became the first major retailer to start transporting freight by canal earlier this year. Canals and waterways can also make a significant contribution to ensuring that the construction work carried out as part of the Olympics in London is greener and more efficient. In addition, the waterways are vital for transporting rubbish in the London area, and I am sure that we all think that such activities should be expanded.

Underpinning the debate have been the ongoing tensions between the Government and British Waterways, and between the Government and Members who are aware of the issues associated with canals. There remains great frustration about DEFRA's disruptive cuts in mid-year last year, and although I congratulate the hon. Member for Lichfield (Michael Fabricant) on calling for this debate, he surely should not have needed to do so, because the concern about the cuts must have been evident to the Government. The resulting fear, uncertainty and ambiguity—the sense that there is no clear direction regarding where investment will come from in the upcoming years or how much it will be—surely puts the Department under pressure to make things clear as early as possible, so that the industry has a framework and understands the circumstances that it faces. We all hope that the waterways will cease to be the Cinderella in the DEFRA budget.

I join others in saying that DEFRA must work in partnership with other Departments not only to discuss the future of canals, but to fund them. We could look at a whole series of budgets, including those of the Department for Culture, Media and Sport and the Department for Transport, to ensure that the waterways have a coherent future. I cannot believe that it is not vital to have in place a long-term funding strategy and some real clarity so that investment is possible, and we expect the Minister to address those issues when he replies.

I also join others in raising concerns about the pattern of cost transfers from the taxpayer to the user, and I hope that the Minister will address the issue. We see that pattern in other parts of the transport industry. One great benefit of the waterways is that they give people on relatively low incomes the opportunity to enjoy a holiday or, indeed, to have a residence. If we allow the waterways to lose that characteristic—if everything is for the rich, not the many—we will destroy an important part of the fabric of the waterborne community.

I will now sit down but before I do, I ask the Minister to give us a full set of responses to the issues that have been raised.

10.34 am

Miss Anne McIntosh (Vale of York) (Con): I, too, welcome you to the Chair, Mr. Martlew; it is a great honour to appear before you. I also give my warmest congratulations to my hon. Friend the Member for Lichfield (Michael Fabricant) on securing the debate and on speaking so eloquently. I make a plea to the Minister to be gentle with him, because he is also my Whip, and it is in my best interests that we are all terribly nice to him.

Jonathan Shaw: I am nice to everyone.

Miss McIntosh: I know. I also warmly welcome the Minister.

I do not want to repeat all the points that have been made. The debate has been not only informative but entertaining, and it has been in the best spirit of the House. I should record, however, that we are probably discussing the future funding of canals because DEFRA seems to be reeling from one disaster to the next. In that respect, we are grateful to the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) for securing a parliamentary answer from the Minister's predecessor on 6 February 2007. That answer showed just how many British Waterways programmes of planned winter maintenance and repair work had to be cancelled or postponed in the winter of 2006-07. We all felt for the boaters who took to the River Thames in great numbers earlier this year to protest at the cuts.

Susan Kramer: I thank the hon. Lady for giving me the opportunity to say something that I forgot to say earlier. I am sure that she will join me in congratulating the "Save our Waterways" campaign on the work that it has done and on the petition that it brought to Parliament to underscore these issues.

Miss McIntosh: I will join the hon. Lady in congratulating the campaign in just one moment. Let me say, however, that 18 projects were cancelled or postponed last winter, and it would be helpful to hear when the Minister expects that planned maintenance and repair work, which is very necessary, to be conducted.

Many hon. Members, not least my hon. Friend the Member for Lichfield, have spoken about the leisure and recreation role of canals. Had the debate taken place in Holland, France or Germany, however, even greater numbers of parliamentary colleagues would have been present. The role of inland and coastal waterways in recreation and particularly in transporting goods in an environmentally friendly way is much better recognised on continental Europe than it is here.

I pay great tribute to all those who work on and support the canals system, including those involved in boating and recreational activities. As my hon. Friend said, however, the canals took on a particularly vital role following this year's floods. May I therefore add to the list of invitations to the Minister? I recently visited the Bentley Ings and the adjoining canal, in south Yorkshire, and I should impress on him the fact that British Waterways and the Environment Agency have not carried out regular maintenance work, which has left the Bentley Ings, in particular, in severe danger of bursting its banks. The Environment Agency and the insurance industry have concluded that the failure to dredge the waterways contributed in no insignificant way to the summer floods disaster.

Let us accept that the waterways have an environmental role to play. It is perhaps appropriate to recognise that the environmentally friendly work done by British Waterways, the Inland Waterways Association and others has led to the return of that most beautiful bird, the kingfisher, among others, to our rivers, which is no mean achievement. That was due to the role played by our waterways and canals, and that should be recognised.

Several people who wished to be heard contacted me before the debate earlier today. One was the honourable secretary of the west riding branch of the Inland Waterways

[Miss McIntosh]

Association, who talked about the role that the waterways play. The association, which is a registered charity founded in 1946, advocates conservation, maintenance, restoration and development. It has 17,500 members worldwide, but they are deeply worried by the cuts. I was also contacted by the commodore of the Bray Cruiser Club, who talked about the work done by boaters on the Thames, particularly through the association's Bray marina in Berkshire.

I want to dwell briefly on the question, asked by my hon. Friend the Member for Lichfield, of whether it is morally right that, through no fault of their own, British Waterways, the Inland Waterways Association and other agencies funded by the Department should have their budgets cut. To take one figure from the five-year summary of the British Waterways accounts, the most given in Government grant in recent years—£94.8 million—was given in 2003-04. That was reduced in the most recent year for which figures are available, 2006-07, to a mere £72 million. That was before the most recently announced Government cuts. I hope that the Minister will adopt an open and transparent approach and share with the House his knowledge of what order of cuts is envisaged. We understand that the Department has overspent by £115 million this year in the light of animal health crises such as foot and mouth and bird flu, and that there was an overspend on day-to-day administration relating to flooding that ran to £30 million.

I ask the Minister to be open about the matter because it is a source of some concern to all those taking part in the debate and those listening to it that the permanent secretary at the Department is publicly calling for it to play down the scope of emergency cuts of £300 million, which will hit environmentally sensitive projects and will not allow British Waterways and the Inland Waterways Association to make the contribution to the waterways and canals that is needed. The debate has been open and honest, and we need the Minister to respond as forcefully as he can.

I shall conclude now because I want to allow the Minister the maximum time to respond. I believe that the waterways fall firmly within the remit of the Department for Environment, Food and Rural Affairs. The Government have probably put the greatest emphasis on the environment. Those hon. Members, like me, who represent deeply rural farming communities feel that the Ministry of Agriculture, Fisheries and Food concentrated more forcefully on farming and food production, which may be why we are no longer self-sufficient in food and depend increasingly on imports. However, I believe that DEFRA is the right Department to deal with waterways. I pay tribute to its role in keeping our waterways environmentally friendly. I urge the Government to return to the maintenance programme of previous years, and to the contribution that was made through Government grant and the Environment Agency. I recognise the role of waterways in tourism and recreation, as well as in transport and boating.

I thought that my hon. Friend the Member for Lichfield was quite harsh in some of his comments, but I support what he and other hon. Members have said. The Department seems to reel from one episode of incompetence and disaster to the next. Our plea is for it to restore funding to canals, to restore the maintenance and dredging programme, and to put an end to the gross mismanagement and dereliction of duty that has come about. We ask the Minister to maintain our waterways as the pride and joy of the country.

10.43 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw): I congratulate the hon. Member for Lichfield (Michael Fabricant) on securing the debate. He described to us his long association with waterways, mentioning the fact that he is the patron of the Lichfield and Hatherton Canals Restoration Trust in his constituency. I understand that he is also the secretary of the all-party group on waterways, which he seems almost to have forgotten, such is the number of titles and responsibilities that he has, and his passion and commitment to the waterways. It is understandable, given his busy agenda. He described travelling the towpath, and also talked about his credentials and honour as a Whip, welcoming me as the Minister responding to the debate, as we worked closely together in our respective Whips Offices. I thank him for that. I did not like what he said about my predecessor, who is a fine man, and an excellent Member of Parliament, and was a good Minister.

I intend to concentrate on the main body of my speech, which I hope will respond to the central concern raised. In any remaining time I shall respond specifically to some of the more general points. This is an opportunity for me to reaffirm the Government's commitment to inland waterways and report that considerable progress has been made since the report on British Waterways by the Select Committee on Environment, Food and Rural Affairs. I am proud to be the Minister for inland waterways and I have been fortunate to see at first hand some of the tremendous benefits that waterways bring to communities. Many of those were articulated by hon. Members. In 1966, when Bobby Moore was taking England to World cup glory, and Harold Wilson was taking the Labour party to success in the elections, I had my first holiday on a canal boat, in my mother's arms, on the Oxford canal, so from the earliest age I have had an affinity with the waterways.

Since I have become Minister with responsibility for waterways, my visits have included key regeneration projects such as Wood wharf. The hon. Member for Richmond Park (Susan Kramer) mentioned the opportunity presented by the Olympics, and I have visited Prescott lock, which will play a vital role, facilitating waterborne freight and contributing to a sustainable, environmentally friendly Olympics. I have also been to the Loughborough canal basin and Birmingham, one of the first large-scale inner city regeneration projects, which is a testament to what waterways can do for our industrial cities.

I have also met a wide range of stakeholders in past months, and have been struck by their enthusiasm, knowledge and passion for waterways. New Ministers are always put at a disadvantage when they meet stakeholder groups, who know their subject inside out and upside down. I am grateful for their enthusiasm and desire to engage in discussion about how to take things forward. To that end I am today meeting representatives of more than 30 interest groups—people who use the waterways—to hear their concerns at first hand. I want to improve relationships and do everything possible to facilitate constructive dialogue. However, hon. Members should remember that British Waterways is a public corporation, at arm's length from Government, and it is for the board and executive to comment on operational matters.

Miss McIntosh: Will the Minister give way?

Jonathan Shaw: I would, but I should not be able to respond to all the points raised.

We need to maximise the public benefits of waterways while delivering an affordable, sustainable network within the total funding available. We are working closely with both British Waterways and the Environment Agency on developing long-term strategies to achieve that aim. Much has been said about ensuring that adequate funding is available for the waterways, and hon. Members have rightly expressed their communities' aspirations to extend and restore the canals. As my hon. Friend the Member for Leicester, South (Sir Peter Soulsby) said, each restoration or new canal brings further revenue pressures on British Waterways, and we must recognise that. Given the fact that more people than ever before use the waterways, and that there is more enthusiasm for them, so that there are more people involved in the relevant projects, we must wrestle with the issues of competing demands on the public budget.

Miss McIntosh *rose*—

Jonathan Shaw: I have a huge amount to get through; I ask the hon. Lady to be quick.

Miss McIntosh: We hear what the Minister says, but does he accept that British Waterways, which is an agency at one remove, is limited in the amount that it can raise? We must recognise that the cost of fuel has put boating out of the reach of many people who would otherwise have taken great pleasure from those craft.

Jonathan Shaw: I am grateful for that comment. On sustainable funding, British Waterways is not at the moment allowed to borrow. BW has assets on which it could be allowed to borrow, and the Government are working hard with the organisation, as part of its review, to ensure that it can come to a position in which it will be allowed to borrow. That is part of the sustainable funding footing that we want to see the organisation on in order that it can meet hon. Members' aspirations.

Many comments were directed at me and the Department's funding. Following the Department's allocation, it is, as hon. Members would expect, going through a business planning prioritisation process to decide how we divvy up the money. We must do that, and hon. Members referred to a number of the Department's many competing priorities. The Department is actively engaging with delivery partners in that process with an expectation that final allocations, including those for BW and the Environment Agency, will be known at the end of February. The role of DEFRA as custodian of the canal network on behalf of the Government has been recognised by Ministers and, at this stage, I am hopeful that the budget for BW will be broadly around flat cash for a three-year period. The Government are in discussions with BW on what that means for its business planning, and it is considering whether a further injection of capital from its commercial business into the network in the next three years is desirable. Hon. Members have asked me to be as clear as I possibly can, and I have set out for the House the position that the Government want to get to.

I welcome the conclusion of the Environment, Food and Rural Affairs Committee report that we have seen a remarkable renaissance in the fortunes of Britain's historical inland waterways in the past decade, as was mentioned by many of my hon. Friends, and—sort of—by the hon. Member for Lichfield. It would not do his career any good to say, "It's the best ever!", but that is the case—our waterways are in a better state today than they have been since the second world war, and they are used and enjoyed by more people than at any other time in their history. I urge hon. Members to judge the Government over a period on what we have done for British waterways.

The Committee made a number of recommendations, including improving relationships, setting up an interdepartmental working group and carrying out research into the benefits of the waterways. I am pleased to confirm that we are making progress on those recommendations. First, I am committed to developing and strengthening our partnership with BW to ensure the continued and sustainable revival of our waterways, and I have frequently met its chair and chief executive. From my perspective, communications are good.

Secondly, as promised, we have set up an interdepartmental working group. The Departments to which I have written—Transport, Business, Enterprise and Regulatory Reform, Health, Communities and Local Government, Culture, Media and Sport, and the Treasury—have given the support that I asked for and are committed it. The first meeting of the group will take place on 17 December.

Thirdly, the Committee recommended that we undertake a study to determine the social benefit of the waterways network. Many hon. Members mentioned the additional benefits that the waterways network brings to the communities who live in and around it. A steering group has been set up, and the interdepartmental working group will consider those benefits at its first meeting.

The hon. Member for Brecon and Radnorshire (Mr. Williams) made an important point about the Monmouthshire and Brecon canal. On the detail of that, he was right to say that the canal suffered a major breach in October which caused considerable distress to the local community. I am pleased at what he said about BW's communication with local people and community leaders. Such communication is important for confidence. Often, when people complain, they do not know what the situation is, and if there is uncertainty, people become concerned. There will be a meeting on 19 December at which BW will set out what it intends to do. We know that the canal is hugely important for tourism in that area. It has a long history of instability, which the hon. Gentleman will know about only too well. There are plans to restore the abandoned section between Cwmbran and Newport, and the Crumlin arm, to promote further tourism, and he knows of those aspirations. I hope that we will see

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that restoration, but it will be enormously expensive, which has to be taken account of in relation to the other demands and aspirations that hon. Members have for their areas.

My hon. Friend the Member for Derby, North (Mr. Laxton) is chairman of the all-party group—

Mr. Laxton *indicated assent.*

Jonathan Shaw: My hon. Friend remembers that he is the chairman of an organisation, unlike the hon. Member for Lichfield.

My hon. Friend suggested that he is hard-up; I am sure that he will get a lot of sympathy in the House and in the wider community for that. The issue of licences relates to the issue of boat owners paying the costs. It is important to get the matter in perspective. Boat owners pay around 10 per cent. of the costs. The rest is paid for by all of us—by the taxpayer.

On a serious note, my hon. Friend talked about regeneration opportunities. There has been £7 billion-worth of waterside regeneration in recent years—I stress £7 billion. I have seen it at first hand, and my hon. Friend the Member for Ashton-under-Lyne (David Heyes) mentioned his area. My hon. Friend the Member for Derby, North mentioned industrial heritage, and was right to point out that the wonderful roof at St. Pancras was made by a former constituent of his.

When hon. Members get involved in local projects, I urge them to ensure that the projects offer opportunities for skills training. It is vital that the opportunity to pass skills down is taken, so I encourage engagement with learning and skills partners.

My hon. Friend the Member for Staffordshire, Moorlands (Charlotte Atkins), who has a proud track record of championing the waterways, mentioned funding, and talked about opportunities for regeneration projects and the impact of the floods. Many hon. Members mentioned the unsung heroes, and I am sure that BW staff will be grateful for their comments. It has made representations to the Pitt review, which is designed to learn lessons from the floods. It will look at how the Government dealt with floods across the board, and BW is a central part of it. On funding, as I said, we need to put BW on a sustainable footing. There is a review group with which we are working closely to ensure that that happens, so that we can meet more of the aspirations that we and our constituents have for the waterways.

The hon. Member for Richmond Park (Susan Kramer) mentioned the need for long-term funding, the opportunities presented by the Olympics and for taking freight on our waterways. She said that it is a Cinderella service, but I do not accept that. DEFRA has many delivery bodies, but BW does not receive the smallest amount. It might interest her to know that it gets more than some of the national parks, which have enjoyed and welcomed a considerable increase in funding in this year's budget. Like the national parks, waterways have a contribution to make in delivering on sustainability. She also referred to the fact that Tesco and Sainsbury's put freight on canals.

The hon. Member for Vale of York (Miss McIntosh) asked me to be open and honest about funding. I hope that I have been so and that I have provided some insight into the difficult discussions that all Departments have at this time of year. The Department is committed to British Waterways, to establishing better relations, and to ensuring that stakeholders have a say on how the network is developed. We want to meet the aspirations of the thousands of people who enjoy the waterways and the rich heritage that they bring to communities up and down the country.

I am grateful to the hon. Member for Lichfield for initiating the debate. I am proud to be the Minister with responsibility for waterways, and I look forward to working with hon. Members in the months to come.

Malaysia Campaign Veterans

11 am

Mr. Don Touhig (Islwyn) (Lab/Co-op): I sought this debate because now more than ever it is vital that we give the achievements of our veterans the recognition that they so richly deserve. At a time when British troops are serving in some of the most dangerous and hard-fought conflicts in the world, some at home are questioning the nation's support for our armed forces. That is why it is nothing less than our duty to ensure that the 5.5 million ex-servicemen and women—our veterans—who have risked life and limb for Britain and defended her when she has been under threat know how much we value their dedication, courage and sacrifices.

When I was Minister for Veterans, I set out my mission statement quite simply, saying, "We will value our veterans, their widows and their families, and we will do all in our power to demonstrate that." How we value our veterans is a measure of Britain today. The care we show them, or in some cases the lack it, cannot fail to impact upon the morale of today's servicemen and women deployed around the world, including those serving in Iraq and Afghanistan.

I want to draw attention to the disgraceful treatment of the 35,000 veterans who took part in operations in Malaysia from 1957 to 1966. The Malaysia campaign saw British and Commonwealth troops confront Indonesian volunteers infiltrating Malaysia. The conflict claimed the lives of 114 Commonwealth servicemen, with another 180 wounded. The British and Commonwealth force successfully dominated the border area and defeated the incursions, leading to a lasting settlement of the dispute that had threatened regional stability. Like all veterans, the men who took part in that struggle deserve our deepest gratitude and respect. As our forces face similar problems in Afghanistan today, the case of the Malaysia veterans is surely all the more poignant.

Bob Spink (Castle Point) (Con): The right hon. Gentleman is making an important point at a time in our history when we should remember the veterans, because so many of our servicemen and women are serving in dangerous places around the world. However, we are talking about very special veterans, because the Malaysia campaign was the last conflict to be fought by conscript soldiers. These were not volunteers; they were conscripted to serve their country.

Although there were some shocking incidents during that war of which we should be thoroughly ashamed, the vast majority of veterans who served did so with great professionalism and dignity. They served their country not as volunteers, but as conscripts, and in such circumstances it is particularly important to recognise their efforts.

Mr. Touhig: I am grateful to the hon. Gentleman for raising that point. He is right to say that those were the last conscripted troops and that they deserve our special care and attention.

In January 2006, the veterans were given permission to accept but not wear the Pingat Jasa Malaysia medal—the PJM—which is a decoration instituted by His Majesty the King of Malaysia to commemorate the services of British and Commonwealth forces in safeguarding Malaysia's sovereignty during the conflict. The PJM honours the valour and sacrifices made by forces that served in Malaysia between 1957 and 1966. I welcomed the decision by Her Majesty the Queen, acting on the advice of the Committee on the Grant of Honours, Decorations and Medals, to grant permission to the 35,000 veterans who took part in that operation to receive that medal. However, the decision of that Committee—commonly known as the HD Committee—to advise Her Majesty that the medal could be accepted but not worn is the most disgraceful and insensitive act by faceless mandarins in Whitehall that I have ever encountered.

Sandra Gidley (Romsey) (LD): I have followed this issue carefully. Does the right hon. Gentleman agree that there seems to be no consistency in the application of the five-year rule and no transparency in respect of the HD Committee, which seems to make up rules to suit itself at any particular time?

Mr. Touhig: The hon. Lady anticipates some points that I want to make, but I am grateful for her comment because it reinforces some aspects that I want to develop.

The absurdity of that crass and insensitive decision was demonstrated when veterans were allowed to wear the PJM in Malaysia on the occasion of that country's celebration of its 50th anniversary of independence last August. Earlier, in a written statement on 31 January 2006, the then Minister for Trade, who also served as a Foreign Office Minister, my hon. Friend the Member for Dudley, South (Ian Pearson), said:

> "The Committee on the Grant of Honours, Decorations and Medals…has recommended an exception to two of the long-established rules governing the acceptance and wearing of foreign…awards".—[*Official Report*, 31 January 2006; Vol. 442, c. 10-11WS.]

In effect, those exceptions set aside the rule forbidding double medalling when a British award has already been given for the same service, and also set aside the five-year rule preventing the acceptance and wearing of non-British awards for events or service more than five years ago, which the hon. Member for Romsey (Sandra Gidley) mentioned. In other words, the HD Committee waived two key rules so that the veterans could accept the PJM and then re-imposed the same rules to prevent them from wearing it.

Most people—most sane people, that is—would think that fairness and common sense dictate that our veterans, having been given permission to accept the PJM, should be allowed to wear it, but when I was a youngster growing up in Abersychan in south Wales, my mother often used to say to me, "Son, in life you will find that sense is not that common."

I have a letter from one of the veterans, who told me how proud he was to be invited to the Malaysian high commission to receive the PJM, but how distraught he was at the last sentence in the letter, which said that he needed to remove it when he left the building.

In the last parliamentary Session, I tabled early-day motion 356, which attracted 176 signatures. It called on the HD Committee to change its advice to Her Majesty

[Mr. Touhig]

the Queen on the wearing of the PJM. Also in that Session, the right hon. Member for East Hampshire (Mr. Mates) tabled early-day motion 375, which called on the HD Committee to do much the same thing. That, too, received widespread support from all parties in the House.

It seems utter nonsense not to allow veterans to wear medals officially awarded to them. We must bring to an end that confusing and insulting practice. It is wholly wrong that the veterans cannot accept and wear the PJM. At best, that decision is unjust: at worst, it is a disgrace and a shame on Britain.

Bob Spink: Before the right hon. Gentleman moves off the point about consistency, I would like to make a point in case he is not going to mention it. He will be aware that those who served on the Russian Arctic convoys were allowed to receive and wear their medals, as my father did with great pride. He will also be aware that the Governments of other countries, including Fiji, New Zealand and Australia, have given permission for the medals to be worn at any time, so why should our Government not give the same permission?

Mr. Touhig: The hon. Gentleman makes a fair point that shows the inconsistency of the approach to accepting medals from foreign nations.

Being allowed to accept but not wear the PJM is a disgrace and a shame on Britain. Britain's shame was compounded and turned into a farce more worthy of a Whitehall theatre than the highest echelons of government when Commonwealth Governments in Australia and New Zealand advised Her Majesty the Queen that their citizens should be allowed to accept and wear the medal on all occasions. Indeed, the Governor-General of Australia, Michael Jeffery, was presented with his own PJM on 30 January 2006 and is allowed to wear it in public with pride. I am holding a picture of him doing just that. So, the Queen's representative in Australia is allowed to accept and wear the PJM, but the Queen's soldiers in Great Britain are not.

Sandra Gidley: Can the right hon. Gentleman clarify whether the Queen sanctioned the wearing of the medal in Australia and New Zealand? Any advice given to the Queen is not available under the Freedom of Information Act 2000, so it is difficult to be clear about the matter. Does he know whether she was given advice with respect to the other countries?

Mr. Touhig: Her Majesty is the Queen of Australia and of New Zealand, and acts on the advice of her Governments there. They appear to have advised her that their citizens should not simply accept but be able to wear the PJM. Clearly, that has happened with Commonwealth countries, and I, like the hon. Lady, cannot understand why that is not happening in this country.

This Government have done much for veterans. They created the first Minister for Veterans, instituted Veterans Day and created the Veterans Agency, but I want them to do more. In presenting the PJM, the Malaysian Government are thanking the 35,000 veterans who served on operations in that country. Malaysia is a predominantly Muslim country. I know of no other Muslim country that today wants to honour British servicemen and women. What message does it send out to a friendly Muslim nation—an ally and a member of the Commonwealth—when the British establishment is throwing this generous gesture back in its face? I can only hope that the members of the HD Committee do not also serve in the diplomatic service. God help British foreign policy if they do.

The Minister for the Middle East (Dr. Kim Howells): On a point of information, the permanent secretary at the Foreign and Commonwealth Office is a member of the Committee.

Mr. Touhig: I thank my hon. Friend for that intervention. Let history be the judge is all that I can say.

We in this country have a tradition of showing gratitude to our veterans for their services, and celebrating their achievements, yet veterans of the Malaysia campaign are not allowed to wear the PJM. To add insult to injury, the HD Committee agreed in March 2007 to review its original decision but concluded that it should be upheld. In answer to a parliamentary question, my right hon. Friend the Member for Derby, South (Margaret Beckett), then Secretary of State for Foreign and Commonwealth Affairs, said:

> "After examination of the issues involved, the policies underpinning the operation of the UK honours system and particular application of these policies in the case of the PJM, it concluded that the original decision to allow exceptions to two of the major principles of the British Honours System—the double medalling rule and the five year rule—should be upheld."—[*Official Report*, 23 March 2007; Vol. 458, c. 1223W.]

My God, if I could close my eyes, I could imagine Sir Humphrey saying that in "Yes, Minister".

I raised the matter with my right hon. Friends the Prime Minister and the Foreign Secretary. I am grateful for their keen interest in the matter, but I have to say that, so far, I have received the same old tired responses. I was told that it has been a long-standing policy to say that

> "the wearing of non-British awards will not be approved or permitted for events or service that took place more than five years before initial consideration or in connection with events that took place in the distant past."

Again, who says that "Yes, Minister" is not the training manual for the civil service? My right hon. Friend the Prime Minister, whom I greatly admire and support, is a radical man. He wrote an excellent biography on the great socialist James Maxton, in which he quoted Maxton talking about poverty:

> "Poverty was manmade and was therefore open to change."

I have no doubt that my right hon. Friend's Government have little sympathy with those who want Britain to cling to outmoded and antiquated systems that belong in the 19th century, not the 21st.

To paraphrase James Maxton, the system that denies our Malaysia veterans the right to wear the PJM is man-made and therefore open to change. The only conclusion that I can draw from the attitude of the HD Committee is that it seems more important to uphold the British honours system than to honour British servicemen and women, some of whom have laid down their lives for our country. Those soldiers faced some terrible conditions. One can only imagine what it was like fighting in the jungles in those times, so how must they feel when they hear about the attitude that we have taken and our refusal to allow them to wear the PJM?

One veteran wrote to tell me that he had been advised by a Ministry of Defence civil servant that he could stuff his PJM back in his Kellogg's packet, because the medal status meant nothing to him. Shame on any official who speaks to a veteran in that way. Many of those lads are now in their 60s and 70s, and they grow fewer in number each year. The time is right to make a decision and rightly allow them to wear this honour. All they ask is to be able to wear with pride the medal that they earned, alongside other veterans who parade across Britain on Remembrance Sunday.

I have met many of these men and I pay tribute to their campaign. Their quiet dignity is in stark contrast to the actions of civil servants who are hiding behind the actions of some shadowy Committee. I have tried to find out how this Committee operates. I am told that the main Committee meets just twice a year, and its minutes are not made public. The idea of transparency and open government do not apply there.

There are also stories circulating that the Committee often takes decision not by members meeting each other, but by them telephoning or e-mailing each other. It is a good thing that we did not have e-mails in 1957 when some of those conscripted might have not turned up to fight, but sent an e-mail of support. Where would we have been then?

I know that many Malaysia veterans have lobbied parliamentary colleagues, the HD Committee itself and Ministers, and still we are no further forward. The veterans have been left confused and disenchanted by the whole process. They deserve far better, and I believe that we have to deliver that for them. Those veterans have done their bit. We should honour them and recognise that the medal they have been given is not some second-class award, but an award given by an ally and friend in recognition of service provided by British servicemen and women. Their cause is honourable: they simply wish to receive fair and even-handed treatment from the British Government and to be afforded the same right as their comrades in other Commonwealth countries to wear the medal that they have earned.

I also know that if the HD Committee changes its mind, we will be told that that is setting a precedent. I am sure that I am not alone in this Chamber in thinking that, throughout my political life, I have been warned that if I said this or that, or did this or did that, I would be setting a precedent. I am sure that when the first human being stood up and began to walk on two legs rather than crawl around on all fours, there must have been a group of Neanderthals, not unlike the HD Committee, who tut-tutted, wrung their hands and said, "This is setting a precedent." That is precisely what I am asking my hon. Friend the Minister to do now.

My hon. Friend the Minister is a good man and we know each other well. I am extremely fond of him and I hold him in high regard. He is at his best when he is most eloquent, and his most persuasive when he says what he thinks, although from time to time, that has got him into trouble, as I well know. May I invite him to tear up the notes that his officials have given to him and speak from what he feels inside—from what he knows to be right? He will not be alone, because I have received many e-mails from across Britain and from across the world from people who are saying, "We must do something to put this injustice right."

When there is some outrage of this sort, people look to Parliament for a solution. Something so shameful as the way that the Malaysia veterans have been treated deserves our attention. The British people look to this place, the Parliament of Great Britain, to right an obvious wrong. We are privileged to be the elected representatives of the people. If Parliament turns its back on the legitimate claims of the Malaysia veterans, where can they turn after that? In this day and age, we cannot allow a Committee with no ministerial involvement, that appears to meet in secret, that is not transparent and that appears not to be accountable to Parliament to take such arbitrary decisions that affect so many of our brave men and women.

I say this to my Government—no, I say this to our Government, because whatever our persuasion, they are the Government of the whole United Kingdom: if the members of the HD committee will not change their mind and advise Her Majesty the Queen that the medal can be worn, sweep them aside and ignore them. Like the Governments of Australia and of New Zealand, advise Her Majesty the Queen that the medal should be worn.

This is the Government who had the courage to pardon those who were shot at dawn during the first world war. I appeal to the same Government to demonstrate the same sense of justice by allowing the Malaysia veterans to wear the PJM. Then we could send a message to those who served our country in the past, but also to those who are serving our country now in Iraq, Afghanistan and other areas around the world. They would understand that we will always honour, cherish and care for them. We must grasp this chance to deliver justice for the Malaysia veterans.

11.20 am

Bob Spink (Castle Point) (Con): I shall not detain hon. Members long. I start by acknowledging the Government's record on recognising veterans and celebrating their service and their subsequent contribution to British society in so many ways, including the fact that many veterans turn out in the end to be volunteers—using the skills that they have learned, often in the services, to help others in their community. The present Government have done very well in recognising that achievement by introducing the veterans badge, which many of my constituents wear with great pride whenever they can. Veterans are among the most worthy groups in British society and they well deserve the recognition that the Government have offered them.

The Government have acted honourably and properly in dealing with the issue, so it surprises me that they cannot take a small extra step and allow the PJM to be worn by the Malaysian veterans, who were not volunteers, as I was as a boy, but were conscripted;

[Bob Spink]

they were forced to fight and serve their country, which many of them did with great professionalism and dignity.

Dr. Howells *indicated assent.*

Bob Spink: I see the Minister nodding. While I have his assent, I will conclude my remarks.

11.22 am

Dr. Julian Lewis (New Forest, East) (Con): I was just checking a fact with the proposer of this excellent debate, the right hon. Member for Islwyn (Mr. Touhig), relating to the introduction of the veterans badge. The reason why I wished to be certain about that was that a few weeks ago, I had the pleasure of receiving my own addition of the veterans badge for some very modest service in the Royal Naval Reserve as an ordinary seaman some years ago. I felt a little thrill of pride, which was no doubt completely unjustified, but it was very nice to feel that a little bit of service to society in the armed forces had been recognised in that way. How much more significant it would be for someone who was involved in risking life and limb in a serious war-fighting campaign to receive recognition in the form of a medal for the risks that they had taken and for their achievements.

I have been involved in one or two similar campaigns in the past, but they were campaigns with a bit of a difference. When the right hon. Gentleman, whom I congratulate on the bravura way in which he presented the case today, was Minister for Veterans, I was heavily involved with the campaign to try to get an Arctic star for the veterans of the Russian convoys. It was remarkable how much resistance there was to that, yet there was a considerable difference between that case and this, because no medal had been given for the Arctic convoys at all, although it was argued unconvincingly that some of the veterans were eligible for the Atlantic star, which made me wonder not only about the intellectual rigour of the case, but about the geographical limitations of the people advancing it.

Eventually, although an Arctic star was awarded, it was in the form of an Arctic star emblem. I do not believe that permission was ever formally given for that to be integrated with the officially awarded second world war medal range, but it was designed to be easily capable of attachment to the ribbons of those second world war medals, and the effect is that everybody happily wears the Arctic star emblem today among the medals and nobody raises a word of objection about it. Therefore, the first thing that I would say to any veteran who has received the PJM medal is, "Put it on your medal range. Wear it proudly and my guess is that nobody will say a word about it."

Sandra Gidley: I take the hon. Gentleman's point. I was invited to a medal ceremony, and the pride of the men in their medals was almost tangible. I suggested to them the very same thing that the hon. Gentleman suggested, but it is not quite the same. They want official recognition and official permission to wear the medal, because ultimately they were soldiers and they are law-abiding—they like to abide by the rules.

Dr. Lewis: The hon. Lady anticipates a point that I was coming to. Nevertheless, when it comes to practical advice, the first step should be to say: "You have the medal. Wear it and do so with pride."

The problem that the Ministry of Defence and the HD Committee face is not that they wish to regard the PJM as a second-class medal—I entirely agree with the right hon. Gentleman that any civil servant who referred to it in those terms is not fit to hold his job—but that it is a second medal. That is where I think the difficulty arises, because some of the medal campaigns that we have fought retrospectively, such as Commander Eddie Grenfell's campaign for an Arctic star or Captain Peter Kimm's campaign for a canal zone medal for royal naval personnel—I want to touch on that in a moment—are for cases in which no medal was awarded at all.

Lorely Burt (Solihull) (LD): Will the hon. Gentleman give way?

Dr. Lewis: I would like to develop the point a little further, but if the hon. Lady would like to try again later, I will be happy to give way to her.

In the cases to which I was referring, the difficulty related primarily to the amount of time that had elapsed since the campaign took place. That issue is, I think, dead and buried because the canal zone campaign set a precedent for going back into the records and retrospectively awarding a general service medal, which I believe is known nowadays as an overseas service medal, to people who qualified as a result of their service in the canal zone. The reason given for doing that was that it could not be shown that the idea had been put up for a medal or a clasp to a general service medal to be awarded for that service at the time, and rejected, so I went to considerable lengths to try to show the same thing with regard to an Arctic star in the second world war and I could find no record. I went through the HD Committee and through the ceremonial department, as I think it was, that supplied the records that the HD Committee would have considered in relation to the awarding of second world war campaign stars, and I could find no suggestion that a medal for the Arctic had been considered and rejected, either. However, in that case, one had to settle for an emblem, whereas in the case of the canal zone, it was retrospectively decided to award the clasp or, in the case of those who did not have a general service medal already, the medal together with the clasp.

The problem with the Pingat Jasa Malaysia, it is only fair to point out, is that the campaign is not one that has not been recognised. The British Government have quite properly recognised it by awarding a general service medal with a clasp. It raises a question of arbitrariness for a Government who have benefited from the work of British servicemen and women to wish to award a medal retrospectively for service for which a medal has already been awarded. It is possible that somebody who received a general service medal and clasp for service under equally severe conditions—perhaps in another theatre of war where the Government were not as appreciative after our withdrawal as in Malaysia—might feel a tad resentful that their colleagues got two medals and they only got one.

That is the sort of consideration that the Ministry of Defence is doubtless thinking about. I presume—the right hon. Member for Islwyn will correct me if I am wrong—that it must have been with the co-operation of the Ministry of Defence that the Malaysian Government got PJM medals into those ex-servicemen's hands in the first place. Without that co-operation, it would have been impossible to administer the scheme whereby they got the medals. Primary consideration must therefore be given to those people—I do not know whether there are any; I invite interventions to set me right—who served in Malaysia but who for some reason did not get a medal from the British Government. If anyone falls into that category, there should not be the slightest question about their being allowed to wear the foreign decoration.

Lorely Burt: As I understand it, the majority of servicemen who sacrificed and endured during the Malaysian campaigns did not receive a medal for it. Is it not therefore the case that the double medal rule does not apply? Those men have nothing that they can wear in public that recognises their sacrifice and service.

Dr. Lewis: That is extremely helpful. I do not know how many of the people who served in that campaign received no medal or clasp at all. I invite the Minister to concentrate on that point in his reply.

That leads me happily to the fact that I am the proud possessor of a set of miniature medals given to me by the family of the famous airman Flight Lieutenant Kinkead, who is buried in my constituency. He won two distinguished service crosses, two distinguished flying crosses, a distinguished service order and a mention in dispatches between 1917 and 1919, both on the western front and in the intervention in Russia. It is relevant because among those miniature medals are two awarded by the white Russian authorities with whom he fought on detachment—unofficially, as it were, but officially—for the Royal Air Force in 1919 and 1920. Indeed, his DSO was for service in that campaign.

There is therefore a huge precedent for allowing foreign medals to be worn when the British Government have not already awarded a campaign service medal or clasp. I am surprised by the statement of the hon. Member for Solihull (Lorely Burt) that that applies to the majority of PJM recipients. If so, the point is crucial. If not, it is still most important for the minority of people who did not receive an award from the United Kingdom.

I should declare an indirect interest. My partner's father, Frank Souness DFC, was decorated for his service in the RAF during the Malayan campaign in 1955, and I believe that his subsequent service entitles him to the PJM. Most people will recognise that there is a distinction between those who are awarded nothing for a campaign and those who have already been recognised for it by the British Government. It is not an easy point to make. We all wish to salute the gallantry of people who risk their lives in such campaigns. I look forward to hearing the Minister clarify whether attention will be addressed, at least as a first step, to those veterans of the Malaysian campaign who received the PJM but who never received any other award for their service.

11.36 am

Willie Rennie (Dunfermline and West Fife) (LD): I congratulate the right hon. Member for Islwyn (Mr. Touhig) on securing this debate and on the excellent and entertaining manner in which he prosecuted his case. We have also heard some excellent interventions and contributions from the hon. Member for New Forest, East (Dr. Lewis), who made a detailed case for a change of heart in the Government. The case is even stronger because the right hon. Member for Islwyn, as a former Defence Minister, has some inside knowledge of such matters. Having been a Minister for Veterans, he has probably seen some of the deliberations on such issues. I presume that he is not allowed to divulge them to this audience, but it strengthens the case for why the Government should reconsider.

The Malaysian campaign is often regarded as the forgotten war. Vietnam and Korea have had greater exposure, mainly through Hollywood and other film-making enterprises, but that does not mean that we should forget Malaysia. Some 35,000 troops were involved, and there were more than 100 deaths. It was a significant conflict that should be reckoned along with the rest, especially when one considers the numbers—we have 7,000 troops in Afghanistan, and the number in Iraq will have reduced to 2,500 by spring. It was a significant effort that the Government should recognise.

Even though it is claimed as a forgotten war, we must not forget the 35,000 veterans who served in Malaysia, including the last conscripted soldiers, as the hon. Member for New Forest, East mentioned. I concur with the right hon. Member for Islwyn—the MOD has done some good work in recent years. It has appointed a Minister for Veterans, introduced a veterans badge and veterans' day and given veterans priority health treatment. It has done some good work, but it is in danger of throwing it all away and losing the credit that it has gained recently. We are talking about an unnecessary slight to a group of veterans who served with distinction in the Malaysian campaign more than 50 years ago, and who have been prevented from appreciating fully the Malaysian Government's thanks on behalf of their people to the veterans who helped give them their freedom.

This is a bizarre example of British etiquette and rules getting in the way of common sense. It has all the hallmarks of a British farce. To tell 35,000 loyal ex-servicemen and women that they may accept a medal but are not permitted to wear it defies logic. The rules on double medals and events more than five years ago are waived to permit acceptance and then, paradoxically, immediately resurrected as reasons why the medal may not be worn formally. Then, after much prevarication, the establishment permits the wearing of it—but only for a few days and on the other side of the world in Malaysia. Only in Britain could that sort of thing happen.

Mr. Touhig: I am grateful to the hon. Gentleman for giving way. I pay tribute to the hon. Member for New Forest, East (Dr. Lewis), who always puts a logical and powerful argument; he was very even-handed in his approach, and drew out the difficulties of both sides.

[Mr. Touhig]

I have been fearsome in my criticism of the HD Committee, as I have seen correspondence concerning the decision to allow our veterans to wear the medal during the 50th anniversary of Malaysian independence. In my view, the decision was taken because Commonwealth veterans would have marched in Malaysia wearing their medals and ours would not. Perhaps more important to the establishment, Her Majesty was represented at those events by His Royal Highness the Duke of York. I believe that there was concern that His Royal Highness might have been subjected to some sort of protest by British veterans if they had not been allowed to wear the medal while other Commonwealth veterans did so. The decision to allow them to wear it for that celebration was totally cynical and wholly unworthy.

Willie Rennie: I thank the right hon. Gentleman for that intervention. If the HD Committee is more concerned about the Duke of York's feelings and his possible embarrassment than about the veterans, it is very sad. Perhaps it reflects the ethics of the Committee's members.

What does it say about our relations with that foreign country—a Muslim country? As we heard, we do not have that many friends in the Muslim world, so we should not turn them away when they offer the hand of friendship. What does it say to the King of Malaysia? It is a nation of 27 million people, of whom 60 per cent. are Muslims. It is a newly industrialised country that has a long track record as a trading nation, and it is an important partner for the United Kingdom. When our veterans are offered a medal, it is very narrow minded and rather offensive for us to turn it away. I do not know how the people feel about it, nor do I know the King's view or what he says in private, but I can imagine what it must be like. Surely our relations with that country are far more important than Britain's medal etiquette.

What does it say to our Queen? She is put in the invidious position of allowing the medals to be worn in public by New Zealand and Australian veterans, but not our own. It puts the Queen in a very difficult position. I wonder what she says behind closed doors. We will never find out, but I wonder whether she has had a phone conversation with the King of Malaysia and is rather embarrassed by the whole episode.

I have a few questions for the Minister. Why did the Queen allow Australia and New Zealand veterans—

Mr. Eric Martlew (in the Chair): Order. The hon. Gentleman should not bring the royal family into the debate.

Willie Rennie: I apologise, Mr. Martlew.

Why were New Zealand and Australian veterans allowed to accept and wear the medal, when it was denied to our own veterans? If it is not permitted to receive a medal if five years have passed, then why were veterans of the allied Arctic convoys allowed to receive and wear in public the Russian 40th anniversary of victory medal?

I am puzzled by the Government's intransigence on this issue. As has been said, we are not talking about "bling" hunters—people who have medals all over their uniforms—and the veterans do not want that, either. They want something that is special. The difficulty has been caused by our obsession with etiquette, rules and regulations. We should be celebrating the efforts of our servicemen, not denigrating them. We need a review of the rules so that we can take a sensible approach to the receiving and wearing of medals. I urge the Government to look again at the set-up of the HD Committee and at some of the long-established rules that govern this issue.

I pledge my support for the *Daily Mirror*'s "honour the brave" campaign, which has tried to secure medals and recognition for the injured and those who have passed away in Afghanistan. One of my constituents, Captain McDermid, a long-serving soldier, recently passed away there. Such people should be given recognition, in order that others know the value that our soldiers give to our country.

11.44 am

Dr. Andrew Murrison (Westbury) (Con): I congratulate the right hon. Member for Islwyn (Mr. Touhig) on obtaining the debate and on the manner in which he introduced it. I express slight surprise at the vitriolic way in which he attacked the HD committee. At the end of the day, it operates to rules that effectively are handed down by Parliament, and it is to those rules that officials work. If we are unhappy about the committee and how it works, we need to address the way in which it is structured. I shall say a few things about that later.

It is important to establish that medals are important to servicemen and to veterans. Those of us who have not served need to discuss the matter with veterans fully to appreciate the part that medals play in service life and the way that veterans view themselves and their service. It is by no means a trivial issue, and the exchange between my hon. Friend the Member for New Forest, East (Dr. Lewis) and the hon. Member for Romsey (Sandra Gidley) fleshed out some of the problem.

The feeling that the veterans have for their medals cannot simply be dismissed by saying, ""Well, you can wear them anyway." People can wear whatever they want. Indeed, those involved with Remembrance day services of one sort or another, which includes most Members here, will have noticed in recent years an increase in the number of medals, emblems and badges—we heard earlier about the veterans badge—which are all worn with a great deal of pride by veterans. Some of them, of course, are officially awarded and endorsed by the HD committee; some are not. Some of them are foreign awards and decorations, and some have the status of emblems or badges; some can be bought, for not very much money, but they have no official endorsement. We need to consider the subject in that modern context.

I want to put on the record my thoughts on veterans badges. Like many innovations, one has to reserve judgment initially to see how things work out. Having presented some, and having been eligible for one myself, like my hon. Friend the Member for New Forest, East, I am pleased with them. They were a good innovation and a positive move, something that was appreciated and warmly welcomed by veterans. I congratulate the Government on introducing them.

The make-up of the HD committee is curious. It has eight officials. There are representatives of the Prime Minister, the Home Office, the Foreign Office and the Ministry of Defence. They are senior officials. To say that there is no political input may be a little wide of the mark. Indeed, they can feed in the views of Ministers, according to a letter of 20 December 2005 sent by Mr. William Chapman, the secretary of appointments at No. 10. That is clear evidence that the committee is influenced by politicians. In considering whether the committee is fit for purpose, we need to remember that. I suspect that the right hon. Member for Islwyn, when he was a Minister at the Ministry of Defence, will have had some input to the HD committee through the MOD official.

In the context of a partly political committee, we need to discuss whether we should reconstitute the way in which honours and decorations are recommended to Her Majesty the Queen. I would be interested to hear whether the Minister feels that, informed by some of the issues raised in this debate, we could look again at the committee to see how it can be brought up to date.

The rules that the committee is obliged to work to are contained largely in Foreign and Commonwealth Office orders passed in 1969, which have since been updated. The first rule prohibits UK citizens from accepting or wearing a foreign award without the sovereign's express permission. In a sense, we are making a rod for our own back, because, unusually for British law, those orders state that a person may not do something unless given permission to do so. In the context of our armed forces that is very clear: a person cannot wear any item on their uniform unless it is contained within uniform regulations.

However, this is not a debate about whether servicemen and women representing this country in uniform may wear particular awards or decorations—one would assume that they may not, unless they bear the image of the sovereign or specific permission is given. We are talking about veterans and civilians. It seems strange, particularly given the plethora of badges, medals and awards of various sorts that veterans are accustomed to wear, to forbid, in those regulations, the wearing of the PJM. That seems rather odd and a little capricious.

Mention has been made of Sir Humphrey. Although I would not accuse the committee of acting like Sir Humphrey, this situation appears somewhat Humphreyesque. Many will look on our country, perhaps from Malaysia, and ask, "What on earth are the British playing at? Why are they failing to give any official endorsement of the award of this medal?"

We heard eloquently from the right hon. Member for Islwyn and from the hon. Member for Dunfermline and West Fife (Willie Rennie) about the possible effect on Malaysia. At a time when we are trying to build bridges, particularly with countries with a substantial Muslim population, it seems churlish to open ourselves up to the accusation of being unhelpful and unfriendly. The committee resides within the Foreign Office, which is why a Foreign Office Minister is replying to this debate, but we seem to be scoring a diplomatic own goal.

One of my principal concerns about the HD committee is that it appears to have been inconsistent in its judgments, which I suspect might be partly the result of political interference. It seems that two major rules override its considerations in this arena: double medalling and five-year retrospection. However, we have heard about the commemorative Russian 40th anniversary medal and how that event was marked by the British war medal. More specifically we might consider the Malta 50th anniversary commemorative medal, which is similar, but covered directly by the British Africa star.

The committee's determinations appear to be inconsistent, and although the rules that govern it suggest that it is not necessarily a problem that precedent does not guide or dictate future decisions, if we do not rely on precedent, I am afraid that we are likely to fall into the trap of randomness that gives rise to a sense of injustice on the part of veterans when they find that their medal has not been officially endorsed. That endorsement is important to veterans, for reasons pointed out by the hon. Member for Romsey. They are ex-servicemen, accustomed to abiding by rules, and they feel uncomfortable if approval is not given to what they did, particularly when that concerns medals.

The rules, which state that one may not wear a medal unless it has been officially approved, are standing in the way of common sense. It might be far more helpful to replace those rules with a more permissive line that might run: "UK citizens may wear awards from foreign powers at their discretion unless they are requested not to." That would get the Government and the HD committee out of the fix in which they unwittingly find themselves. It would be a sensible way forward.

The sovereign must remain the fount of all honour. That lies at the heart of the matter and is the bedrock of the work of the HD committee. However, those strange little rules generated in 1969 are standing in the way of what, to most of us—including friends and allies abroad who have approved this medal—appears to be common sense. However, just because New Zealand and Australia approve of its wearing, we are not necessarily bound to follow suit. As I understand it, approval was given to wear the medal by Her Majesty following recommendations made to her as Head of State of those countries. She cannot be bound to make the same determination in respect of the United Kingdom.

To use the vernacular, I am arguing for some "chilling out" on medals to avoid the blind alley down which the HD committee has been forced, by virtue of the 1969 Foreign and Commonwealth orders and regulations, which have been so unnecessarily proscriptive and caused so much unhappiness, bewilderment and misunderstanding, and which, I suspect, have had diplomatic consequences in respect of the PJM.

11.57 am

The Minister for the Middle East (Dr. Kim Howells): I thank my right hon. Friend the Member for Islwyn (Mr. Touhig) for giving us the opportunity to debate this very important subject. I welcome his close interest in it. In my opinion, he was one of the best Veterans Ministers, and I congratulate him on the work that he did during his tenure of that post and on the commitment that he has shown to veterans ever since.

[Dr. Kim Howells]

My right hon. Friend seldom makes Ministers' lives trouble-free and harmonious, and he certainly has not done so in this debate. As he pointed out, I have been in great difficulties many times—as a climber, on the great north walls of the Alps, and as a swimmer I have swum too far out to sea. I also got into difficulties on picket lines outside power stations and pits a quarter of a century ago. I have been in grave difficulties in this place many times, as well. However, this is the most difficult case I have had to argue against—I am not sure that I am up to it really.

I know only too well that debating Chambers in the Palace of Westminster can be very inhospitable for Ministers. Indeed, my right hon. Friend and hon. Members have contributed in a fine way to the debate, and I find myself confronting as effective a resistance to the continuation of established Government policy as I have faced on any issue. It is very difficult to construct an argument that resists their case in defence of servicemen being allowed to wear the Pingat Jasa Malaysia medal alongside other awards that they may have won for courage and tenacity displayed in circumstances far more dangerous than any climbing route, swimming adventure, picket line or, indeed, Dispatch Box that a Minister might stand next to.

Let us remind ourselves that it is a great testimony to our veterans that His Majesty the King of Malaysia, the Malaysian Government and people wanted to honour them with that medal. The veterans played a valorous role supporting Malaysia—Malaya, as it then was—in its early days. Our veterans provided the support that the Malayans so desperately needed in the 1950s and early 1960s, and it was only a short time before some were back there supporting the newly independent Malaysia in her armed conflict with Indonesia, which ended finally in 1966.

In the past 50 years since Malaysia's independence, our bilateral relations have gone from strength to strength. We have extensive and positive links on a range of issues, from education and climate change to sustainable development and defence. We have a shared history and culture, and many Malaysians have developed extensive links with the United Kingdom. I am delighted that His Royal Highness the Duke of York represented the United Kingdom at Malaysia's celebrations of its half century of independence in August this year.

I am also delighted that a large number of British veterans attended the celebrations, and that an exception was made to our rules, as laid down by the Committee on the Grant of Honours, Decorations and Medals, to allow those veterans to accept His Majesty the King of Malaysia's generous gesture in awarding the PJM. Those people who were able to travel to Malaysia for the 50th anniversary celebrations were, as my briefing puts it, exceptionally permitted to wear the medal in Kuala Lumpur. However, I fear that there are no plans—I am told this by the HD committee—to allow unrestricted wear of that medal, which, it argues would be contrary to some important rules governing the acceptance and wearing of honours and decorations, which have been long-standing practice in this country. That is what I want to consider in the time left to me, because I have got to try to explain why it is so.

I am informed that allowing the PJM medal to be accepted required the HD committee to agree a special exception to two principles governing the acceptance and wear of foreign awards. The first, which we have heard about, is double medalling, whereby a British award has been given for the same service. The second is the five-year rule, which does not allow medals to be accepted for events that took place more than five years ago.

The following point struck me when the hon. Member for New Forest, East (Dr. Lewis) spoke. I do not know the exact date when British soldiers went to Afghanistan, but it must be getting on for six—certainly five—years ago. It was probably February 2002. That is almost as long as the second world war, and although some acts of valour will have been rewarded already, it might be a long time before some of the ongoing events there receive full recognition. The question of the time span is important, and we must consider it in the future. Indeed, we must consider much else besides.

Both rules—it is argued—are long standing and fundamental to the integrity of the British honours system. The five-year rule, and an earlier two-year rule, date back to 1855, and the double medalling rule is also long standing. I was very grateful to the hon. Member for Westbury (Dr. Murrison) for his compelling description of why some rules are in place. He gave us a fair and balanced description.

The British honours system—I am told—has a long history of recognising meritorious service and of preserving the integrity of Crown servants. It guards against something that the HD committee calls medal proliferation—a very interesting term. The committee should go to some of the countries that I go to occasionally if it wants to see medal proliferation. I understand that the tradition has been upheld by numerous reviews. As my right hon. Friend told us, our practice differs from that of some other countries. The British honours system is truly meritorious. Honours and decorations are highly valued, and the system is administered scrupulously, as the hon. Member for Westbury told us. However, I have also been led to understand that it allows flexibility for special circumstances. My right hon. Friend gave us some examples, such as allowing veterans of the Malaysian campaign to accept but not to wear the PJM medal.

In my view, that situation adds an anomalous variable to an equation that is already extremely difficult to understand. The HD committee's argument is that the vast majority of the veterans who have received the PJM medal have also been awarded the British general service medal for the risk and rigour of their service in Malaysia. I do not know whether this will provide an answer to the hon. Member for New Forest, East, but there was only a short period, from 1960 to 1962, when the risk and rigour in Malaysia was not deemed—by those who do the deeming—sufficient to award a medal to British troops stationed there. For the rest of the period covered by the PJM medal, between 1957 and 1966, those who were thought to merit recognition by the award of a medal, and who fulfilled the appropriate time criteria, were awarded the general service medal with the appropriate clasp, the Malaya bar.

The qualifying periods were different for service afloat and service on land. Some naval personnel did not receive a naval general service medal for their time served off the coast of Malaysia, and they do not consider receiving the PJM medal to be double medalling, because they do not have a British medal for their service. I am told that the qualifying periods were carefully considered at the time, and there were obviously good reasons for making the naval qualifying period longer. However, the HD committee argues that the absence of a general service medal should not, in itself, mean automatic qualification for a foreign award.

The HD committee advises Her Majesty the Queen on all honours matters.

Dr. Julian Lewis: What the Minister has just said is hard to understand. It is not for the committee to decide whether British service personnel who did not qualify for the British award should be eligible for a foreign award. The Government of Malaysia have decided that all those service personnel are eligible to receive the award. Surely the point is that those who for any reason did not receive the British general service medal and Malaya clasp should therefore be eligible to wear the PJM medal because it is not a case of double medalling. Will the Minister focus on that when he takes away the argument, which he is evidently quite unhappy to have been given by his officials?

Dr. Howells: The hon. Gentleman has put the matter clearly, and that is why I described it as an anomalous variable in an already difficult equation. It is difficult to understand why that exception should be made. I shall argue that it should not.

As I said, the HD committee was established formally in the 1930s to provide what is described as

"independent and non-political advice to the sovereign".

However, for the past century, the sovereign has called on his or her private secretary, in consultation with senior civil servants, to give advice on the honours system. Although the Committee is non-ministerial, it takes the views of Ministers into account—or so it says. It seems that it does not always take a great deal of account of the views of Ministers, as my right hon. Friend pointed out.

Mr. Touhig: Will my hon. Friend provide us with evidence that the committee has ever taken the views of Ministers into account? I was never aware of that, and the correspondence that I have seen with colleagues who are no longer Ministers but support the veterans' campaign does not show it. The hon. Member for Westbury (Dr. Murrison) thought that I was vitriolic about the HD committee, and I was not sure whether the Tory party was on the side of the veterans or the HD committee until the end of his contribution. Can my hon. Friend provide us with evidence that the committee has taken notice of Ministers? We are living in a day when things are much more transparent. Can we, as Parliament, tolerate a body that makes decisions in secret without any reference to elected representatives? Surely we cannot.

Dr. Howells: No, I cannot give my right hon. Friend any evidence that the committee has ever listened to a Minister. In the case of the PJM, the Minister with responsibility for veterans, my hon. Friend the Member for Halton (Derek Twigg), and a former Minister at the Foreign and Commonwealth Office, my right hon. Friend the Member for Makerfield (Mr. McCartney), wrote a joint letter to the HD committee before its deliberations earlier this year, in support of wearing the medal. The committee's members, however, were not sufficiently exercised by that correspondence to change their minds. I am told, nevertheless, that arguments for exceptions to our rules on the acceptance and wearing of decorations and medals are considered carefully—that is what the committee says—to preserve the integrity of the honours system.

In reaching its decision on the PJM, I am told that the committee considered the importance of British involvement in the Malaysian campaign in the histories of both Malaysia and the United Kingdom in the years between 1957 and 1966, the generous gesture of the King of Malaysia and the principles on which the UK honours system is based. I hope that the committee's members heard what my right hon. Friend the Member for Islwyn said: that the generosity of the people of Malaysia, His Majesty the King of Malaysia and the Government of Malaysia carries with it a great deal of political significance.

We heard that other exceptions have been made which were probably based on considerations with such political significance. For example, I know about the sterling work that the hon. Member for New Forest, East did on the Murmansk medal and the Arctic convoys. The agreement to award the medal was seen as a gesture of our increasing friendship and relationship with the newly emerging Russian democracy. That is an important point to make, and my right hon. Friend reminded us that not many countries that could be described as overwhelmingly Islamic have decided to honour us in such a way and honour veterans who helped to carve out those countries in the first place. That is an important and significant political fact.

Bob Spink: I am sorry to intervene on the Minister when he is making such an important point. He mentioned the significance of the Malaysia conflict, and I thought at first that he meant its significance as a war, rather than the political significance that he has moved on to. On its significance as a war, I remind him that 545,000 tonnes of bombs were dropped in 4,500 air strikes, 34,000 people were interned, defoliant was sprayed on hundreds of acres of land and 5,000 people were killed. It seems to me a more substantial and consequential conflict than many for which medals have happily been awarded.

Dr. Howells: Yes, indeed. The hon. Gentleman reminds us of some important facts, and I am remiss in not having commented on the central point that he made: that in many ways it was the last serious conflict to be fought by conscripts as well as professional soldiers. It was a substantial and difficult war. I grew up in a family that knew well the details of the Burma campaign in the second world war, much of which was fought over similar territory. People suffered greatly in the Malaysian campaign, most of all the indigenous

[Dr. Howells]

people. It also had extremely significant ramifications for the wider world. It could be argued that it was a hot war fought by the major cold war combatants by proxy, and we ought to remember that.

As I said, some exceptions have been made for veterans to be awarded foreign medals as well as a British medal. For the HD committee to argue that those exceptions do not set precedents is difficult for a humble Minister such as me to understand. After all, if it is right to allow one small group of veterans to wear two medals for one period of service, in contravention of what is now called standard practice, there is a good case for arguing that exceptions should also be made for many other veterans, including the rest of those who fought in the Malaya campaign. It is not fair that many veterans find themselves not permitted to enjoy such an exception.

I am told that the HD committee has considered the case of the PJM three times, the third time to agree to wearing the medal in Malaysia during the 50th anniversary celebrations. Having considered it in such detail, carefully weighing up the arguments for and against, I am told—having read, I assume, the correspondence from the Veterans Minister and my right hon. Friend the Member for Makerfield—that the committee does not plan to reconsider the matter and that Ministers do not plan to overrule the committee's advice to the Queen. I would be the last person in the world to want to overrule any committee, but I shall say something in a moment that might worry it a little.

Dr. Murrison: I cannot wait. Of course the committee will not reconsider the matter, because it is obliged to work to the rules that are set down in the 1969 regulations. It is the business of Ministers to amend those regulations, so I am afraid that the Minister cannot get off the hook.

Dr. Howells: This Minister has never tried to get off any hook. This is the last time that I shall ever give way to the hon. Gentleman when I am on the last page of my speech, because he has just stolen my lines—an awful thing to do.

I have been told that the committee does not plan to reconsider the matter. As we have just heard, that plan is subject to the House's deliberations on the subject, because there is political input to the committee via the high-ranking and distinguished public servants appointed to it. I shall read out the list: the private secretary to the sovereign, the defence services secretary, the permanent under-secretary to the Foreign and Commonwealth Office, the secretary to the Central Chancery of the Orders of Knighthood, the appointments secretary to the Prime Minister, the permanent secretary to the Ministry of Defence, the permanent secretary to the Home Office and the ceremonial officer of the Cabinet Office. The HD committee's plans will ultimately be determined by decisions of Parliament.

In March 1944, Winston Churchill observed:

> "The object of giving medals, stars and ribbons is to give pride and pleasure to those who have deserved them. At the same time a distinction is something which everyone does not possess. If all have it, it is of less value. There must, therefore, be heartburnings and disappointments on the borderline. A medal glitters, but it also casts a shadow. The task of drawing up regulations for such awards is one which does not admit of a perfect solution. It is not possible to satisfy everybody without the risk of satisfying nobody. All that is possible is to give the greatest satisfaction to the greatest number and to hurt the feelings of the fewest."

Those are wise words, but they were designed not just to make the central point that we must take great care in awarding medals and honours, which we do, but to ensure that there must be flexibility and sensitivity as events unfold and circumstances and perceptions change. That is why I shall try to communicate to my colleagues in the Government and to the HD committee that flexibility is needed in this case. I hope that they will take the testimonies that we have heard this morning and my words seriously.

12.21 pm

Sitting suspended.

Vulnerable Adults (Residential Homes)

12.30 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I am grateful for this brief opportunity in a packed Westminster Hall to raise the issue of vulnerable adults in residential nursing and care homes in England. I pay tribute to the exceptional level of care that the majority of elderly, vulnerable adults receive from the dedicated private, voluntary and public sectors. It is important to put that on the record.

More than 280,000 adults receive care in a variety of settings, and I know from my constituency, where I rarely receive a complaint, that the level of care is generally outstanding, despite the ever-decreasing fees to support top quality care. However, the reality is that abuse takes place, and we know from last week's ICM poll in *The Guardian* that 66 per cent. of adults are frightened by the prospect of going into care homes.

We were reminded only yesterday of the need for vigilance, high-quality inspection, investigation of complaints and prompt action when the owners of Parkfields care home near Glastonbury were arrested on suspicion of murdering five elderly adults. I hope that the Minister will give a further assurance today that the protection of all vulnerable adults is high on his priority list. He has recognised the challenge facing the Government, and on 20 February he addressed Age Concern's Age Agenda conference and said:

> "I think we need to create a society over time where people are as outraged by the abuse of older people as they are rightly about the abuse of children."

He then said that

> "we are a long way from getting there. I'm afraid in the months and years ahead, we'll have to face up to some pretty uncomfortable realities about the abuse of older people in our society".

This week gave us a taste of that.

What, in effect, the Minister was saying was that of the 500,000 older people who are believed by Help the Aged to suffer abuse today, some will die because of our inability to act quickly enough to protect them. Some, particularly those with dementias, and those who are immobile or unable to communicate, will not even be able to voice their concerns before they die. That is unacceptable. The Minister was right when he said that we would not accept that for our children, and we should not accept it for our elderly people.

I hope that today the Minister will set out clearly the steps that he intends to take to build on the excellent initiatives already announced, and set a binding timetable for action to give vulnerable elderly adults the same protection as our children. That is what I am asking for. He could start by agreeing to two relatively straightforward measures. First, he could take steps to recommence the collection of data on elder abuse and to publish them, along with outcomes. It is not right that the Department does not collect those statistics. The £360,000 grant to Action on Elder Abuse is an important step forward, but it should not allow the Department not to collect those vital statistics.

Secondly, the Minister could take immediate steps to extend to care home residents full rights under the Human Rights Act 1998—as recommended in the recent Joint Committee on Human Rights report on the human rights of older people in health care—by including an amendment to that effect in the Health and Social Care Bill, which is before Parliament.

Given the Minister's statement to the Age Concern conference, surely he cannot be content that the residents of 90 per cent. of care homes and 60 per cent. of domiciliary care agencies run by private or voluntary organisations are excluded from human rights protection. He knows that I have a long-standing interest in this area, largely as a result of the unacceptable handling by various inspection and regulatory bodies of the complaints of abuse that occurred at Gargrave Park nursing home in North Yorkshire between April and October 2002. The elderly residents at Gargrave Park who were subjected to physical, mental and sexual abuse cannot expect justice today because they are no longer with us, but their legacy could be an inspection and complaints regime that gives the elderly in care at least the same level of protection that we demand for children in care.

My constituents Ruth Poole and Julie Dale, who were both registered nursing inspectors, exposed the dangerous and life-threatening practices at Gargrave Park, but when they produced evidence about the levels of abuse—supported by other professionals, including a consultant psychiatrist, GPs and social workers—sadly, the authorities sought to discredit the inspectors and not the abusers. Hiding behind a web of obfuscation and petty bureaucracy, those organisations charged with protecting the vulnerable—the Nursing and Midwifery Council, the National Care Standards Commission and the Commission for Care Standards—all failed in their duty of care to residents and to the inspectors. They were often more interested in procedural point scoring than in protecting the vulnerable.

The appalling incidents highlighted in February by the "Panorama" programme "Please Look After Mum" again demonstrated familiar failings by the inspection regime to find out what was happening, despite clear evidence from a whistleblower. Last week's "Panorama" programme "Please Look After Dad" exposed a worrying trend in the use of anti-psychotic drugs to sedate residents with Alzheimer's, despite evidence from Professor Ballard of King's College and others that such drugs often have little positive effect and could shorten the lives of people with dementia. All those cases—and, indeed, many more highlighted by the Select Committee—point to the need to improve the quality of professional inspection of care homes. I want to challenge the Minister on that.

I recognise that the Minister is about to embark on another round of changes to the inspection system to merge the Healthcare Commission, the Commission for Social Care Inspection and the Mental Health Act Commission into the care quality commission. On the face of it, getting rid of three organisations and merging them into one is a sensible way of moving forward because such organisations often inspect the same institutions and individuals, but what assurances can the Minister give that this is not just another step along the route of de-professionalising the whole inspection regime? Is it not simply recognition that we have far too few inspectors of sufficient status and quality to safeguard the vulnerable in society's care?

[Mr. Phil Willis]

Five years ago, care homes were inspected against 38 standards, but that number was reduced to 15 in 2004 and will be further reduced under the new Bill. Since 2006, the frequency of inspections has been reduced from once every two years to once every three years, with a proposal for even less frequent inspections for good homes. Parkfields care home, in which five people were allegedly murdered, and Laurel Bank nursing home, in Halifax, had both passed their inspections, so presumably they could continue abusing at will. What is more, one fifth of care homes in 2006 failed on inspection to meet the minimum standard for medication and nutrition three years after the new standards were introduced in 2003, so what earthly justification is there for loosening the inspection regime? Is it simply that an inconvenient truth arises from inspection: that the system has lost control? Worse still, is it that the Government cannot afford a high-quality inspection system? Is that why the Minister is proposing an inspection holiday to allow the new arrangements to settle in? Would that be acceptable for care settings with vulnerable children? I think not. Yet it is okay for adults.

Let me assure the Minister that I do not wish to blame him for past failings because that would be grossly unfair, but I want him to acknowledge that there are serious misgivings about his proposals among organisations that support elderly, vulnerable adults. I cannot understand—perhaps he will explain—why routine inspections by pharmacists have been discontinued when there is a significant question about the use of drugs and medicines in some care homes. Surely, it is essential that pharmacists can check the use of medicines to ensure, for example, that residents are not being over-sedated or wrongly prescribed anti-psychotic drugs.

Equally, why is it now acceptable for a social care inspector, not a registered nursing inspector, to inspect a nursing home? A social inspector cannot physically examine a resident for signs of neglect or abuse, and many are not even trained to look for the key symptoms. It would be unacceptable for a social care inspector to inspect when an elderly adult was in a hospital setting, but there is not the same level of specialist service when someone is discharged to a nursing home. Will the Minster therefore give me an assurance that the number of nursing inspectors will be increased under the new arrangements and that patients in receipt of medical care, no matter how minor, will be seen by registered nursing practitioners? In short, can he give a categorical assurance today that the new arrangements that he proposes will put in place an enhanced, professionally appropriate and, above all, independent inspection system?

I come now to the issue of complaints. Until 2006, complaints received by the regulator were investigated by the regulator, and despite some obvious failings, there was a logic to the service. Since 2006, the Commission for Social Care Inspection has referred complaints to the relevant care home to investigate. Effectively, a care home investigates itself, which is akin to asking Herod to investigate child protection. How on earth can that system be seen as protecting the vulnerable? We know from the Department's own evidence to the Select Committee earlier this year, which is at paragraph 235 of the Committee's report, that residents and relatives are often loth to report abuse for fear of reprisal or even the loss of their place. At paragraph 237, the report concluded:

> "We were shocked by the number of witnesses who told us of people who had faced eviction from care homes because they or their relative or carer had complained."

Yet that is the system that the Government say will improve the way in which complaints are investigated. Surely, the need to have a complaint investigated independently is the most basic of human rights. Can the Minister give me an assurance that he will introduce appropriate regulations during the passage of the Health and Social Care Bill to ensure that we have an independent complaints process, and give vulnerable adults who do not have family or friends to advocate on their behalf access to an independent advocacy service?

Since 2002, the regulation and inspection of care homes has been in a state of almost constant change. I accept that much of that is the result of attempts to improve the system, and I say that quite openly and honestly. However, that does not help the vulnerable and it does nothing to drive rogue operators and poor staff out of the caring system. The vast majority of those who own or work in the country's 14,000 residential homes and 4,000 nursing homes deserve our thanks and praise for the work that they do in caring for the vulnerable elderly. However, most homes are grossly underfunded, have difficulty recruiting and training staff and must often deal with inappropriate clients who are placed in residential settings not because of their needs, but because of budget availability in local authorities. The huge expected increase in elderly vulnerable adults, many of whom will develop various forms of dementia, will present the Government and our society with a stern test in the years to come. As someone who is fast approaching maturity, I await the Minister's reply with interest.

12.43 pm

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): I congratulate the hon. Member for Harrogate and Knaresborough (Mr. Willis)—if I may, I will call him my hon. Friend—on securing an Adjournment debate on this incredibly important issue, which, as he said, will become even more significant, given the demographic changes that are taking place. I also congratulate him on the insight that he gave us when he declared an interest in this issue. On a serious note, however, he will be a great loss to his constituents and the House now that he has decided to retire from Parliament. I think that it was Tony Benn who said that retiring from the House of Commons allows people to take up their involvement in politics again, and I am sure that the hon. Gentleman will follow that view of the world.

I agree with the hon. Gentleman's statement about dedicated staff at the front line in our care system. Every day of the week, they do a tremendous job of caring for older and, indeed, disabled people in what are sometimes difficult circumstances. The vast majority do their job in a compassionate, sensitive and professional manner, and we must always put such debates into that context.

I also want to use this opportunity to express my heartfelt condolences to the families of those who suffered as a result of the dreadful tragedy at Parkfields home, about which we have heard over the past week. It would not be appropriate for me to comment on the individual case, which is under investigation, as everyone is aware, but our sympathies go to the relatives who have been affected by that dreadful situation.

I also use this opportunity to put on record my thanks to Action on Elder Abuse and its chief executive, Gary FitzGerald, for the tremendous work that they have done recently to raise the status and profile of this issue in terms of public policy. Arguably, the debate about elder abuse is where the debate about child abuse was 20 or 30 years ago, and it is important to understand that. Sadly, child abuse has touched the lives of far too many people in our country through the generations, but it is only in the past 20 years that we have started to talk about it openly and to recognise that there needs to be a complete step change in public policy. I suspect that we are in a similar position on the abuse of older people, as the hon. Gentleman implied. Action on Elder Abuse and Gary FitzGerald are our partners in dealing with these issues and they do an excellent job.

It is probably right to say that before the Government came to power in 1997, the level of protection and regulation in the sector was appalling. It is interesting that Her Majesty's official Opposition could not even be bothered to send a representative to the debate. Before 1997, we lived in a climate in which regulation was a dirty word, and the whole sector had been deregulated. Indeed, the ring-fencing of community care funding in the early 1990s was a deliberate and very effective way of privatising virtually the whole care sector. Now, roughly 75 per cent. of social care is provided by voluntary and private sector organisations. I do not want to make an ideological point, given that much of the private and voluntary sector does a wonderful and very positive job, but what happened before we came to power was the result of an ideological programme, and part of the ideology of privatisation was the decision not to put in place an adequate regulatory system.

When the Government came to power in 1997, we introduced national minimum standards and the protection of vulnerable adults scheme. I understand the hon. Gentleman's reservations about elements of the performance of the Commission for Social Care Inspection, but it has earned a good overall reputation as a regulator, and standards have continued to improve across the sector. That does not mean that we are where we need to be, or that great concern does not continue to exist about areas where performance is simply unacceptable and where the regulator might have been tougher in using its powers. On the whole, however, I want to put on the record my appreciation for the work done by Dame Denise Platt, who leads CSCI, by Paul Snell, its chief executive, and by the many other people who work for the organisation.

As the hon. Gentleman said, the Government are introducing a new inspection and registration regime, which will culminate in the development of the care quality commission. The idea is to have a proportionate inspection regime that in some ways has more enforcement powers than the existing regime, and which focuses the new regulator's resources on those providers that give us most cause for concern.

In a sense, however, the regulator's role is just a small part of the story of how we not only protect older people, but ensure that the quality of care that they receive is what it should be. I want to do more than protect older people—I want to ensure that they have the greatest possible quality of life, and I know that the hon. Gentleman shares that aspiration. We therefore need to look at the other factors that will improve quality and, in doing so, enhance the protection of older people.

The first of those factors is the introduction of the new star rating system—a transparent system in which relatives and older people themselves will be able to make judgments about the quality of individual care. That is moving much further on: from a register that, in a sense, defines minimum standards and accords a home the right to exist because it meets the basics, to an attitude that says, "Let us be in a position to make judgments about the relative quality of care offered by providers." The star rating system will make the sector more transparent and give people far better information on which to base decisions that are often incredibly difficult about their care or that of a family member.

The hon. Gentleman will know that I am already committed to a fundamental review of the adult protection framework—the process will begin early in the new year—including assessing whether the "No Secrets" guidance has had a sufficiently powerful impact, and considering the case for a stronger regime. I have said that I am willing to consider, in the context of the review of the adult protection framework, the case for new legislation, if that would add value and make a real difference. Too often in this place, we reach for the legislative solution when it does not always add value or make a difference. I and my ministerial colleagues will need to be persuaded that additional legislation is needed for adult protection. I am open-minded about the possibility, but the fundamental review is to take place and I shall be sincerely pleased if the hon. Gentleman contributes to it. We are also committed to further prevalence studies, specifically on the abuse of older people. There was a study earlier this year on the abuse of older people in their own homes, and we now need to consider a broader piece of work on evidence about elder abuse in a variety of care settings.

Commissioning is arguably as powerful as, or more powerful than, inspection and regulation, given the daily relationship within the community between the local authority or primary care trust and the care providers. We have made that clear in the context of world-class commissioning. Yesterday we launched our new concordat with local government and the NHS on the profound reform of adult social care in the next three years. A key element of that reform programme will be telling commissioners that they have a responsibility to reward and offer premiums and incentives to care providers that offer quality, dignity and excellence; and that, equally—the message is a tough one—they should take their business away from providers that cannot offer that quality and dignity. Commissioning is no longer about securing minimum standards. We are saying that world-class commissioning should be about securing

[Mr. Ivan Lewis]

high standards. The local authority has more of a day-to-day relationship with care providers within communities than any inspection and regulation regime has, given the number of inspections that can be carried out over a given period. Therefore, we must also put pressure on local authorities and primary care trusts regarding their commissioning responsibilities.

Mr. Willis: Does the Minister agree that the practice of placing vulnerable adults who need nursing care in residential care settings, simply because that is the only place in which the cash-strapped local authority can afford to support them, is unacceptable?

Mr. Lewis: It is unacceptable to place older people in inappropriate settings. The decisions should be focused on the needs of individuals and their care requirements. I recently issued new guidance, which took effect on 1 October, on the funding of continuing care, because we know that many primary care trusts have been attempting to abdicate their responsibility and to define particular care packages as social care when they clearly include a nursing element. I hope that the new guidance will begin to change some of the practices that the hon. Gentleman has in mind, but equally, we must be clear about what high-quality commissioning really is. Part of it is a question of removing business from providers that do not offer quality to older people.

Yesterday, we made announcements on reform of adult social care, including giving far more power and control to older people and their families, with personal budgets and a choice about where they want their care to come from; that is another powerful way of influencing the system. If those people have maximum control, it is far more likely that they will choose care providers who can offer what they need and want, rather than homes that do not provide good standards. Another element of yesterday's announcement was making it clear that we see advocacy as very important for older people who do not have a family member to support them in making choices about their care services.

I agree entirely with the hon. Gentleman about human rights. The current state of affairs is an anomaly, and neither Government nor Parliament intended that publicly funded residents living in private sector establishments would not be covered by the Human Rights Act 1998. That is an unintended consequence, and we need to put it right. The Government have decided that the appropriate time to do that is when we consult on the new rights and responsibilities Bill, in the context of a new constitutional settlement, on which the Ministry of Justice will lead. The change that the hon. Gentleman seeks will be part of the process; we must put the anomaly right.

I agree with the hon. Gentleman about complaints, too. Publicly funded residents have the right to go through local authority complaints processes if they are dissatisfied with the way in which an individual home has dealt with their complaint. The problem is that self-funders, of whom there are an increasing number, have nowhere to go if they are dissatisfied with the way in which the provider investigates their complaints. The regulator, as things now stand, does not investigate individual complaints. On receipt of such a complaint, the regulator can visit the home, examine practices there and take action, but they cannot investigate the individual complaint. That is an important distinction. I am committed to considering how that can be put right. In a modern care system, it is unacceptable that self-funders should not have the protection that other residents have of being able to rely on an independent element in the process, if they are dissatisfied with the handling of a complaint by the very home that they are complaining about.

I have been leading a campaign in the past year to put respect for the dignity of older people at the heart of all care services, be they on NHS wards, in residential and nursing homes or, as is increasingly the case, in home and day care services. That is crucial. Some of the issues are about culture and attitude. We must make it clear that it is non-negotiable that, as a minimum, older people have the right to maximum dignity. Too often in various care settings, dignity is being disregarded. I shall continue and extend our national dignity campaign, and I shall be making announcements in the coming period about how we intend to do that. There is an important role to be played in every community by dignity champions—individuals, whether professionals or volunteers, in a variety of communities and care settings who are saying that we must prioritise the dignity of older people. The hon. Gentleman referred to dementia, and we are working with people in the health and social care worlds on producing the first ever national dementia strategy, which we shall publish next year. Many of the issues that he raised will be covered in that strategy.

Finally, the care system does not function in a vacuum apart from the rest of society; there are cultural and attitudinal factors in our view of older people. When I said that I want us to be as outraged by the abuse of an older person as we rightly are by the abuse of a child, I meant it. I do not think that we are at that point yet, and that should be a matter for concern. However, cultural and attitudinal change takes a long time. There is no one solution and no magic wand. Such change requires us all, at national and local level, in families and communities, to take responsibility. That is one of the great issues faced by society, because more and more people must make incredibly difficult choices for ageing parents and elderly relatives. Thankfully, more and more of us will live longer. Now, from the margins of public policy, the issue has become one of the great challenges that Government and society face; it is a demographic challenge. We must be up to the mark and ensure that older people have the quality of life, dignity and protection that they deserve in a civilised society.

Cadbury's (Keynsham)

1 pm

Dan Norris (Wansdyke) (Lab): I am grateful for the opportunity to debate Cadbury's proposed closure of its Somerdale factory at Keynsham in north-east Somerset.

The only way that we can properly understand the huge impact and significance of the proposal is to look briefly at the history of chocolate making in the area. It is fair to say that Bristol has led the UK, and arguably the world, in chocolate manufacture. In the mid-1700s, chocolate was being manufactured in the many small factories in the city. Many of those factories amalgamated to form J.S. Fry & Sons, which, after the first world war, amalgamated with Cadbury's, the other well known chocolate manufacturer.

Following that amalgamation in 1919, the company moved to its Somerdale site in Keynsham in about 1935. The site was specially chosen and purpose built, and it reflected the values and ethos of the Quaker families who owned and ran both Fry's and Cadbury's. It was a large site of many hundreds of acres. The idea was that the workers were not only units of production, but complete human beings. It was not only morally right to treat them well; it ended up being good business practice.

Of course, many people will be familiar with brands such as Cream Eggs, Mini Eggs and, perhaps most famously, Crunchies, which are made at Somerdale. Amazingly, someone calculated that a week's production of Crunchies would stretch to the moon and back. That is how prolific the company is in making that famous product and others.

It must also be understood that changes in chocolate manufacture over the years have resulted in greater production with fewer people. At its peak in the 1950s, Somerdale employed about 5,000 workers. Ten years ago, that had fallen to 1,000, and there are currently 500. Of course, for those directly affected, the proposal to close the factory in 2010 is a great shock and a worry, which I am sure we appreciate.

Cadbury's says that it proposes to close Somerdale because it faces an increasingly competitive global market—arguably, confectionery is one of the most competitive businesses. Cadbury's looked at competitors such as Mars at Slough, Terry's, formerly of York, and Nestlé, and saw that they had reduced their UK work force and moved production abroad. Although Cadbury's is one of the last to reduce its work force in that way, it says that such action is inevitable if it is to remain competitive and secure the jobs of UK workers in future.

The company accepts that it is terribly sad to lay people off. It has had to close three factories around the country in the past five years and prides itself on working hard to provide good redundancy packages and training. Cadbury's says that recent history shows that, by the time of closure, more than 90 per cent. of the work force will have found new jobs. It argues that, in a constituency such as mine, which in recent years has had the lowest unemployment in the UK, it is possible to ensure, with considerable effort and concern, to ensure that the impact is minimal, although what is happening is sad, regrettable and awful.

We must also understand that the proposed closure, as well as being a terrible blow for those who will be directly affected financially by it, will also be an economic blow to the town of Keynsham. Small business people in particular are concerned that the factory closure will have an impact on their businesses, and they fear that they may end up closing or losing much of their trade. The truth is that about a quarter of the work force live in Keynsham, so the issue goes wider than my constituency. It affects part of greater Bristol, Bath and much of north-east Somerset. Indeed, the whole west country could be described as having an involvement with the Cadbury's factory at Keynsham.

The proposal is alarming for people in the area. The number of workers has gradually fallen over the years, but previous staff reductions were dealt with through voluntary redundancy or by people deciding to take early retirement. Although just fewer than half the work force are aged 50-plus and might therefore benefit considerably from the packages on offer for early retirement, it would be wrong to underestimate how big a blow the closure will be to Keynsham, north-east Somerset, Bristol, Bath and the west country as a whole.

The social impact of the proposed closure needs to be emphasised. The terrific traditions of the Quaker families who ran Cadbury's and Fry's—I should declare an interest in that I come from a Quaker family and understand their values—meant that the company provided sport and leisure facilities for its work force. In fact, those facilities were not only for the work force; they were available for use by the local community and people further afield.

Indeed, Keynsham relies heavily on those facilities for sports such as cricket, hockey and football. In fairness to Cadbury's, it has indicated to me that it intends to keep the Fry club—the on-site sporting and social centre—so that it can be used even if the factory is closed. That is welcome relief to those who pursue sport and leisure activities at the site, but it does not take away the pain and discomfort for those who are economically reliant on the factory.

Stephen Williams (Bristol, West) (LD): The hon. Gentleman set out in detail some of the history of the company, particularly the philanthropy of the Cadbury family in Birmingham and the Fry family in Bristol. We might see that philanthropy as an early example of what we now call corporate social responsibility. The Fry family also contributed to the founding of Bristol university.

Does the hon. Gentleman agree that the founders of the company would be turning in their graves—the ancestors of the Cadbury family have criticised the proposed closure—if they knew that the company was withdrawing from the Bristol area and from Britain, and that, ironically, it will in future import brands that are known and consumed largely in this country?

Dan Norris: I completely agree with the hon. Gentleman. It goes further than the families: as I said, I have an interest because I come from a Quaker family and we talk about the matter a lot, because we would like to see more of those values, not less. The Bishop of Bath and Wells, I believe, has supported keeping the

[Dan Norris]

factory open for the reason that the values that created the factory are being forgotten, or it at least appears that way.

I do not know whether the hon. Gentleman agrees, but there is an irony in the fact that the Quaker values of co-operation, working together and respecting one another seem to be displayed by those who oppose the closure rather than by Cadbury's, although the company would doubtless deny that. I have been impressed by the community's reaction in all its forms, not least that of Unite the Union, and amazed by how it has communicated and co-ordinated its campaign.

What has Cadbury's proposed? The company is talking about complete closure in 2010 through a series of phased redundancies, although they will not begin until 2009. The company says that it needs to do that to move production to Bourneville in Birmingham—where it will lose 200 jobs, but in which it is to invest £40 million—and to Poland. According to Cadbury's, the proposals have been made in the context of aiming to reduce its global work force by about 15 per cent. That was first mentioned in summer, before the specific announcement on Somerdale in October.

The closure is wrong for two main reasons. First, Cadbury is risking short-termism with its attitude because it is looking at the wage differential, particularly in relation to its plans for production in Poland, where wages are so much lower than in the United Kingdom, although that will be of only short-term benefit. In five to 10 years, those wage differentials will have eroded.

Cadbury's needs to re-check its figures and calculations and think carefully about the tradition of Somerdale, where generations of Keynsham people, and Bristolians and Bathonians, have worked and produced great profit for Cadbury's over the years. Cadbury's needs to revisit all that and think about whether it wants to give up a skilled and dedicated work force. That is not just something the work force says, but something they have proven since the 1930s.

Secondly, Cadbury's view is short-sighted because, as the environment becomes a greater and increasingly important issue for many people as the years pass, it seems somewhat illogical to make chocolate bars in Poland, the vast majority of which will be imported to the UK, where Cadbury's biggest market is.

Kerry McCarthy (Bristol, East) (Lab): I think that some 98 per cent. of the produce from Cadbury's factory in Keynsham is consumed in the UK. I agree with my hon. Friend that it would be absolutely mad to start producing chocolate bars in Poland and incur all the food miles associated with importing them back to the UK.

Dan Norris: I thank my hon. Friend for her helpful intervention. I am not sure whether the figure is 98 per cent., but the vast bulk of the production will certainly come back to the UK. It beggars belief that that is an environmentally sound thing to do.

When I asked Cadbury's about that, it said that the new plant in Poland in which it proposes to invest will be so efficient that it will offset the carbon footprint of transporting all that chocolate to the UK. However, having said that, surely the environmental impact or benefit would be that much greater if Cadbury's invested in Somerdale. I think that Cadbury's somewhat undermines its own argument.

The two key concerns are the short-termism of Cadbury's economic thinking plus the environmental aspects. Cadbury's argues that this is all necessary because of the competitive market in which it operates and that it fears that if it does not stay competitive, like the other confectionery companies that it competes with directly, it risks being bought out by some other company from abroad.

Cadbury's wants to ensure that, by having a leaner, smaller work force, it is more robust in respect of such challenges in the years ahead and that it remains a well-known, world-renowned British name. I have to hope that Cadbury's calculations are right and that its thinking is right, although, for the two key reasons I have mentioned, I am not happy.

I recognise that the Government have done wonderful things with the economy. The management of the economy under the Labour Government for the past 10 years has been hugely impressive—it is the envy of the western industrialised world in respect of unemployment figures—but we have low unemployment not because we do not have factory closures or redundancies or whatever, but because we can create more jobs than are lost. Clearly, that is a vital part of why Britain is thriving economically in the world, even with the global challenges that we face. We are in a better position to face those challenges because of the past 10 years, but nothing is omnipresent and totally consistent. I ask my right hon. Friend the Minister for Competitiveness to think about that.

Although we must consider the nation's overall benefits and what gains there need to be for the economy, and one thing and another, when thinking about a factory such as Somerdale, which is so well known and so well established and which has been profitable throughout its existence, it is hard to understand why closure might be the right thing, particularly if people are directly affected, but even if they are not.

I am sure that my right hon. Friend the Minister will be thinking carefully and constantly reviewing the Government's strategy in relation to this matter, but people find the proposed closure hard to understand, particularly when there is such a long and great tradition. Chocolate making has been happening in Bristol since the mid-1700s and it is worrying to think that there could be no chocolate manufacturer in the area.

We had a foretaste of this situation some years ago—in the constituency of my hon. Friend the Member for Bristol, East (Kerry McCarthy), I think—when Elizabeth Shaw shut its factory. I cannot remember when that was, although I think it was more than 10 years ago. Although we had that foretaste, I do not think that anyone ever thought it would apply to Somerdale, which was considered a much bigger, much more established factory.

I want to thank various people who have been active in the campaign opposing the proposal to close the factory. Not least, I want to thank the Bristol *Evening Post* and its editor, Mike Norton, who has shown that local and regional newspapers can go back to the traditional values of in-depth reporting and explanation. In particular, I also praise Julie Harding, the senior reporter on the *Evening Post*, whom I have known for 25 years. She has written some amazingly illustrative and insightful pieces about the proposal to close the site. It is encouraging to see the detail being put out there so that people can make their minds up and make an informed decision about what Cadbury's is doing.

I want to thank Unite the Union, which has organised many events and continues to do so, and has strong views, which it makes clear. I am grateful to it. However, most of all, I thank the work force—not just those at Somerdale, but other Cadbury workers all over the country who have attended various rallies and events to show their complete opposition to the proposed closure.

I also thank the community of Keynsham and the surrounding area, where people have collected petitions. I am conducting a survey by questionnaire, as well. Lots of people have done sterling work because they feel so passionately and strongly about this subject.

I invite my right hon. Friend the Minister to come to the Somerdale factory, if he can possibly do so. Failing that, perhaps he will invite a delegation from the factory to see him. I appreciate that he is very busy, but it would be great if he could get a feel for the site by visiting it. I want him to hear from the workers and those directly affected, because they have a passion that is impressive and insight that will inform him. I should like to think that, after meeting those people directly and hearing from them, he would be minded to talk to Cadbury's board about its proposals to close the site and not least work through my two key criticisms of the short-termism of this plan, as well as the environmental impact.

The closure proposal is terrible, but it would be even worse if Cadbury's and the rest of the Keynsham community were to look back and say that the decision was utterly and completely wrong but was still pushed forward. That would be a tragedy of Shakespearean proportions.

We all hope and continue to fight to keep the factory open, but whatever happens the community of Keynsham is resilient and tough and will overcome the hurdles facing it. However, I hope that it will not be necessary for it to deal with the loss of an iconic brand, Fry's, and the closure of a factory that has been hugely significant for the whole community for many a long year and has affected many generations.

When Cadbury's comes to make its final calculations and assessment when the formal consultation finishes in the middle of next month, I hope that it concludes that there are other ways to make the competitive savings that it needs without needing to close this wonderful factory and lay off the wonderful workers at Somerdale who have been a dedicated staff for many years, produced profits for Cadbury's and deserve to be treated better than to face a proposed closure.

1.18 pm

The Minister for Competitiveness (Mr. Stephen Timms): I congratulate my hon. Friend the Member for Wansdyke (Dan Norris) on securing the debate. His concern about the potential loss of jobs in manufacturing will be shared by many colleagues throughout the House and it is shared by the Government. I pay tribute to him for his campaigning on this issue and for the way in which he has presented his case today and throughout the campaign.

I vividly remember the dismay in my constituency when a long-established factory from the same group—a Trebor factory—was closed 25 years ago. Today the company name is still prominently displayed on the building, but that is all that is left. I understand very well the degree of alarm that my hon. Friend has described among those who work in the factory, following the announcement in October, and I want to express sympathy for everybody affected. I well understand the strong local concern, which he has expressed, about the impact on the local economy and the local community in Keynsham and north-east Somerset, especially when chocolate making on the site remains profitable, Crunchie bars remain popular and chocolate making in the area goes back so many years.

In October, the House received a very large deputation from the Unite manufacturing lobby. My hon. Friend was among those hon. Members supporting manufacturing at that event. There is also concern about the state of UK manufacturing more generally.

Manufacturing still accounts for one seventh of our national wealth in the UK, more than half of our exports, and three quarters of our business research and development. About 3 million people work in manufacturing, and manufacturing continues to be essential to the continuing health of the British economy. Since the summer, a string of reports from the Engineering Employers Federation and others have underlined the extent to which, after some very hard times, manufacturing in Britain is doing well. For example, last year we made almost twice as many cars in Britain as we did 25 years ago and we exported more UK-made car engines than ever before.

In recent months, I have visited a number of manufacturing companies in Hull, Sussex, Wales and, last week, in Sheffield, and I have been impressed by their strong commitment to, and confidence in, competing successfully with the best in the world. It is striking that the manufacturing sector is characterised by intense commitment and pride among those who work in it. My hon. Friend drew attention to the commitment and pride in the work force at the factory in his constituency.

Food and drink is the biggest single part of the manufacturing industry. It accounts for about one sixth of the total sector. If one includes manufacturers, retailers, food service and wholesalers, it accounts for a total estimated gross value added of around £70 billion, and almost 9 per cent. of national full-time employment.

We have an increasingly globalised and competitive environment. Companies have to be allowed to decide the most profitable way in which to run their businesses in order to grow. My hon. Friend referred to the fact that some of the company's main rivals, including Nestlé in York, Terry's, and Mars in Slough have decided to relocate production to other countries. At the same time, however, I would like to underline that many companies from outside the UK have decided to set up and develop their businesses within Britain with

[Mr. Stephen Timms]

foreign direct investment. We are the world's second largest recipient of foreign direct investment by overseas companies, creating many UK jobs.

As part of its restructuring, Cadbury Trebor Bassett announced the proposed closure at the beginning of October. The restructuring proposals within UK chocolate manufacturing are intended to achieve greater supply chain efficiencies. It is welcome that the company is committed to investing in UK manufacturing. My hon. Friend cited the example of Bourneville. The company, led by Unite, is currently talking to employee representatives. It is committed to consulting fully on its proposals and has provided the full business case for the proposal and all the relevant details requested by the consultative representatives. I know that the group has met on five occasions, with a further three meetings planned before the end of the consultation. We are about halfway through now. There has been contact with others locally, including the local authority.

I agree that it is important that the company reflects carefully on its decision. It must look at all the factors that my hon. Friend highlighted before it finalises its conclusion, including transport costs, the likely future carbon costs—increasingly the cost of carbon is factored into commercial costs, which was underlined by my hon. Friend the Member for Bristol, East (Kerry McCarthy)—and the fact that the vast majority of production will be consumed in the UK. There is still a strong attachment to UK-made products in the UK market.

My hon. Friend the Member for Wansdyke asked me to visit the factory. I will check my diary in response to that invitation. It will be difficult to make that visit before the end of the consultation period, but I will gladly meet a deputation from the factory in Westminster if he can arrange that. Also, I will discuss any concerns that arise with the company.

Cadbury Trebor Bassett describe investing in the community as a "business imperative." In the event of the closure going ahead, I welcome its commitment to providing resources to help employees find new jobs, to retraining those who wish to learn new skills, to providing independent financial advice and to supporting the maintenance of the Fry Club in Keynsham.

If the closure goes ahead, my Department, through the Government office for the south-west, will work closely with the local authority and other regional and local agencies to ensure that there is a co-ordinated local response to assist those who are faced with redundancy to find new jobs and to secure redevelopment of the site to bring in new employment. We would establish a taskforce, and the efforts of Jobcentre Plus would be very important in helping Cadbury employees find alternative work and to consider options for retraining. The taskforce would include representatives of a number of Departments or agencies, including Jobcentre Plus, the Learning and Skills Development Agency, the South West of England Regional Development Agency, the local business link, the Government office for the south west and the local authority.

The taskforce would work closely with the rapid response service of Jobcentre Plus, which helps people to identify transferable skills and training needs, to obtain training and certification that is linked to the local labour market and to overcome barriers to taking up specific job offers. I know that the district employment engagement manager has already been in touch with the company. There has already been a meeting with the local Jobcentre manager to discuss how Jobcentre Plus might help if the decision to proceed with the closure is made. The South West of England Regional Development Agency will also be very active on potential future development and future investment in the surrounding area. As my hon. Friend said, the context is a very successful economy in and around Bristol with a lot of inward investment, including a £500 million retail development in central Bristol, which I gather is due to open next year, creating up to 4,000 new jobs at big retail developments in Bath. The overall economy of the Bath and Bristol area is one of the strongest outside London.

On 22 November, my right hon. Friend the Secretary of State announced that we will review the Government's current manufacturing strategy and establish a new ministerial advisory group on manufacturing to help us with that review. I can confirm that the food and drinks sector, which is a very important part of the overall manufacturing sector in the UK economy, will be represented.

Stephen Williams: The Minister mentioned the food and drinks industry in the UK. There are really only four world-class manufacturers of confectionery. He mentioned Mars and Nestlé. There are also Kraft Jacobs Suchard, for which I was briefly the UK tax manager, and Cadbury's. Cadbury's is the only brand that is still British owned and predominantly British produced. Obviously, one could not prejudice a future inquiry, but the hon. Member for Wansdyke (Dan Norris) mentioned competitiveness and fear of takeover. I would be very surprised if the Competition Commission would allow Cadbury to be taken over by a foreign competitor that is owned abroad.

Mr. Timms: My understanding is that the company has every intention of continuing to thrive and succeed. Indeed, after recent changes, it is the world's leading confectionery manufacturer. Our intention, not least through the work of the review of our manufacturing strategy, is to ensure that we continue to have a very successful manufacturing industry in the UK. Prospects are looking up for the sector. I want that to be the case in the food and drink part as well—

David Taylor (in the Chair): Order. We must move on to the next debate.

Train Services (Penrith)

1.30 pm

David Maclean (Penrith and The Border) (Con): I am grateful for an opportunity to debate the latest draft timetables for train services on the west coast main line. I apologise to the Minister that I was not able to get my notes to him far in advance. I was working on them, and putting together what I wished to say, only late last night.

What I wish to say today is, I believe, totally supported by Cumbria county council and the local committees that it has set up, the Cumbria transport forum executive, Cumbria Tourism, Cumbria Vision and the Cumbria strategic partnership. We all acknowledge the considerable investment in the west coast main line that is leading to more reliable services and reduced journey times to London. Our expectation had been that the new service pattern to be introduced in December 2008/January 2009 would lead to an overall improvement in the economic performance of Cumbria by reducing its relative isolation and improving accessibility to the county for residents and visitors. Our comments on the proposed timetable reflect the importance of meeting those crucial objectives. As the Minister may know, Cumbria is the poorest-performing economy in the whole of the United Kingdom and is among the five poorest in the whole of the EU. We are therefore disappointed that the current draft timetables do not give Cumbria the economic opportunities that it desperately needs.

Our general conclusions reiterate previous representations made to the Department for Transport in 2006 and at various DFT forums. The loss of through-journey opportunities from Cumbria and the north-west to the south coast and the south-west under the new cross-country franchise represents a significant reduction in the attractiveness of rail for longer-distance travel to and from the county. We do not agree with the approach that maximises reductions in journey times to London and that results in a significant reduction in local service delivery because there are inadequate train resources.

I plead with the Government: please do not be so obsessed with cutting the journey time to Glasgow. I can lop half an hour off the London to Glasgow time if the train stops nowhere else in between, and I appreciate that there is potentially a big market to capture from air travel. However, those of us in Cumbria, Lancashire and all the other counties between London and Glasgow want a train service that is relatively fast to London but that stops in our county and picks up passengers. Therefore, although the headline figures that show reduced overall journey times to London are welcomed, we look to the Department to ensure that other aspects of the strategy are delivered. For example, we will require additional car parking at Penrith and Carlisle; that will be essential to accommodate the extra demands.

The Department should consider the existing use of west coast rail services in Cumbria. In particular, it should address specific gaps in service provision and how those will be accommodated in the future. It should address how the comments on interchange in the stakeholders briefing document of October 2006 for the new cross-country franchise will be translated into practical action plans by the train and station operators, recognising the needs of passengers who will be obliged to change trains en route to destinations that currently have through services.

We also reiterate comments made over the years regarding the importance of west coast trains providing local services to Penrith and Oxenholme to the south, as well as to Lockerbie, Wigan and Warrington. The stopping pattern for services should reflect not only the need to move between those towns and other key destinations, but the role of services in meeting the needs of commuters, especially to the city of Carlisle and to Penrith. I am concerned today with Penrith, but my colleague John Stevenson, the Conservative candidate in Carlisle for the next general election, has contacted me to say that it is vital that the 16.30 service from Euston includes a stop at Carlisle. He points out that that train will have to creep slowly through the station: it will not whizz past it at 150 mph. He says that it will take only two more minutes to stop at the platform there and to provide an excellent service.

Today, I want the Minister to consider the timetabled stops at Penrith and Oxenholme to achieve a better distribution of London services, and particularly a rebalancing of the split between Glasgow and Edinburgh services throughout the day. It is apparent that there is no regular pattern to the skip-stops between those two stations, and Penrith, in the new pattern, will lose four train stops a day.

Penrith is not only an important town; the station is also a gateway to the Eden valley and the north lakes and it is a railhead for parts of west Cumbria. Penrith will suffer the greatest net loss of services in Cumbria in the 2008-09 timetable, losing four southbound services and six northbound services each day. In the morning peak, the London service is to be reduced from three trains to two, with a gap from 05.56 to 07.59, followed 22 minutes later by an 08.21 train. There is also only one service after 13.02 to London, at 18.05, so there is a five-hour gap between the 1 o'clock train and the 6 o'clock train, during which trains are whizzing through Penrith but do not stop there. That is unreasonable. It is a significant reduction in London services.

The northbound Penrith services also exhibit an imbalanced pattern, with no morning departures to Edinburgh at all and a gap in Glasgow departures between 12.29 and 17.48. That skewed departure pattern, similar to that for Oxenholme, which is not in my constituency although it is the next station south, will require additional interchanges at Carlisle to transfer between services. The commuter service to and from Carlisle has a reduction in choice in both directions for work in Carlisle, with arrivals only at 07.50 or 08.25. Although those are comparable to the current arrival times of 07.19 and 08.30, the next northbound arrival, at 09.01, does not pick up at Penrith and would arguably be an attractive option, particularly as the next stopping service does not arrive until 10 o'clock. The evening southbound service now has a 90-minute gap between 16.05 and 17.35, compared with only 46 minutes at present, between 16.35 and 17.21.

Eden district council, in my constituency, believes that those are negative steps for several reasons. The first relates to tourism. With the increase in responsible

[David Maclean]

tourism, particularly among those involved in outdoor activities; there is a real opportunity to encourage visitors to arrive by rail via Penrith. The reduced options not only reduce that opportunity but are likely further to increase car journeys into the already overcrowded Lake District national park and increase pollution. Penrith station is called "the northern gateway to the lakes"; if the trains are not stopping there, it is not much of a gateway in that sense.

Secondly, the new university of Cumbria—part of its campus will be based in Newton Rigg, one and a half miles outside Penrith—needs to encourage increased student numbers and they need easy access to both Penrith and Carlisle to attract them to the area. We have waited years—decades; centuries, one could even say—for a university in Cumbria. To have part of the campus based near Penrith with the main headquarters in Carlisle is a significant boost to the Cumbrian economy. We desperately need it. We are grateful to the Government that the opportunity has now arisen, but unless those students—the staff as well but particularly the students—have access to some commuter rail travel, it will not work to its full potential. Similarly, reduced transport access to London will not support that vital new educational establishment, which could attract new young talent to our district.

The third reason relates to the environment. The reduction in trains stopping at Penrith and further north will only encourage people to continue to use their car for long journeys and increase pollution and traffic congestion. Increased investment in the railway network should support improved rural access not just in the south-east, but in the north of England.

Let me give the Minister a personal example. Often, personal examples are not apposite, but this one is. At weekends from October to April or May, I never use Penrith station, a few miles down the road, because I am not prepared to spend seven hours travelling via Cardiff or Bristol as the west coast main line is fixed. I cannot afford the pain of sitting for that long on a train, so I pop across to Darlington on the A66 and take the wonderful GNER service. It is ironic that by driving 100 miles across the Pennines, I can get from my house in Cumbria to my flat in London four hours faster on weekends than by using the Virgin service. That is not Virgin's fault; it is due to the wonderful repairs being done on the west coast main line.

Hundreds of other people make that decision, as well. If we are prepared to drive along the A66 and catch a train at Darlington, more and more of us will make that decision when the connections we want do not stop at Penrith. If I have to get to Westminster at a reasonable time and I cannot pop out on a Monday morning and catch that connection, I am not going to get up two hours earlier. Many people more important than me—business men and women—who also must make that decision will simply drive over the Pennines to Darlington. It is wonderful for GNER or the new franchise holder and great for the east coast main line, but it is not good for the environment, for the A66 and for train services on the west coast main line.

What do we want? London Euston services are being reduced from nine in each direction to five southbound and six northbound in December 2008. That will encourage people to drive along the A66 to use the east coast main line. We want that decision to be reversed. The five-hour afternoon gap in direct services to Euston between 13.05 and 18.05—three trains stop at Oxenholme during that period, by the way—is not acceptable. We cannot have that huge gap, and we cannot have people driving 25 miles south from the Penrith area through Shap and Kendal to Oxenholme, which has no parking facilities, to catch trains there. That would be madness.

Many of the trains that do stop at Penrith do not stop at Oxenholme or Lancaster, which makes it extremely difficult for local travel between stations from Carlisle to Preston. One can catch a train at Carlisle, but not at Oxenholme or Penrith. One can catch a train at Penrith, but it does not stop at Oxenholme or Lancaster. It is nonsense. We need some trains to stop at those important stations in between to provide connections to Barrow-in-Furness and Windermere.

All seven trans-Pennine express services to Manchester airport stop, but only five from the airport do. As they are hardly inter-city trains, with a maximum of only 100 mph, surely those services should stop at all stations. I had assumed that when the little trans-Pennine express splinter trains came in, they would stop at all stations. I am surprised that they do not. The general reduction in trains stopping at Penrith from 24 southbound and 25 northbound in December 2007 to 19 in both directions in December 2008 is not good for Penrith, the county, the environment or train travellers.

I shall give the Minister the timetable that we would like. For southbound services, we would like the 17.40 from Glasgow to Euston, which will whizz through Penrith at approximately 19.03, to stop at Penrith. We would like the 13.40 from Glasgow to Euston to stop at about 15.03. That would plug the five-hour gap. If nothing else comes out of this debate—if we cannot get our four trains stopping—we must have the 13.40 from Glasgow stop at Penrith at about 3 o'clock for a couple of minutes. Even I can board in one minute; I am sure that my fitter constituents can get on even faster. We need the 16.00 from Glasgow to Birmingham to stop at Penrith at about 17.22 so Penrith commuters can return. We need the 18.52 from Edinburgh to Birmingham to stop at Penrith at approximately 20.20. That is the last train from Edinburgh to Birmingham, and it would plug a two-hour gap.

As for trains heading north from London or Birmingham, we would like the 06.20 from Birmingham to Edinburgh to stop at Penrith at approximately 08.50, please. It would provide an early service to Edinburgh and an additional commuter service to Carlisle. We would like the 08.00 from Manchester airport to Edinburgh to stop at Penrith at approximately 09.48. All other airport services stop, and it would be an excellent additional service. We would like the 17.30 from London Euston to Glasgow, a very important train, to stop at Penrith at approximately 20.33. It would be an important returning train for business people, who would be able to conclude business in London by half-past 4 and catch that train home. Otherwise, they will have to take diabolically late trains. We would like the 16.00 Manchester airport to Edinburgh train to stop at Penrith at approximately 17.50.

Those are all our demands for the timetable. I am not asking for four additional services; I am asking that the services that we have should not be cut. We all support the improvements to the west coast main line, and we read in the headlines that one day a Eurostar from Glasgow will whizz through London—one will be able to board at Glasgow and not get off until it arrives in Paris, and enjoy the nightlife and the clubs. Some of us in Penrith would like to board that train occasionally, as well. We are not asking for ludicrous services or making unreasonable demands; we are saying that our county is in dire straits. It is one of the poorest performing areas. We need fast train services to London, but more importantly, we need reliable ones. We need train services that are not delayed unreasonably. We need trains that stop, giving our business people a good, reliable service. I appreciate that the Minister will not be able to give me those assurances today, but I hope that in the coming months, he and his officials will consider the proposed timetables carefully and conclude that they are not good for Cumbria, the environment, rail travellers or our future rail strategy.

David Taylor (in the Chair): I note the Minister's early arrival, 30 minutes ahead of the published timetable.

1.46 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): Thank you for pointing that out, Mr. Taylor. I was just so keen to speak under your chairmanship.

I congratulate the right hon. Member for Penrith and The Border (David Maclean) on securing the debate. I am glad that he does not expect me to be able to say yes to all his demands. When he finally finished listing them, I felt like shouting out, "Is that all?". However, he is doing what any conscientious Member of Parliament should do in the circumstances, which is to lobby for his constituents' interest.

I can undertake to meet with the right hon. Gentleman, as I have met with many of our colleagues from all parties, to discuss any specific reservations or concerns that he has. What I cannot do—I am sure he would not expect me to—is give an undertaking at this point that we can accommodate all his requests. I have said on many occasions that the Government do not write timetables, and neither do civil servants in my Department, and I want to keep it that way. If we veered into that area, I expect that his party would criticise us, and rightly so.

I shall try to answer two or three specific points before moving on to my main comments. The right hon. Gentleman has pre-empted many of them, as he knows rail services extremely well, but he might be interested to know that at 4 o'clock today in Committee Room 8, the all-party group on the west coast main line will meet with Chris Gibb, managing director of Virgin Trains, and Tony Collins, its chief executive, to discuss Pendolino trains. The right hon. Gentleman might receive more in-depth answers to some of his questions from Virgin Trains itself. My hon. Friend the Member for Carlisle (Mr. Martlew) has been closely involved not only in the all-party group, but in lobbying me and the Department for Transport about services in Carlisle.

I thank the right hon. Gentleman for acknowledging that the west coast main line upgrade is an extremely important venture. Some £8 billion of public money has been spent on securing Britain's main rail artery, and I appreciate his comments welcoming that investment. Britain's railways today are a success story, with performance improving significantly over recent years as Network Rail and train operators have sharpened their focus on punctuality and reliability. Investment is at record levels, and after years of managing decline, the industry is dealing with unprecedented growth in demand for rail travel. The Government are giving high priority to providing additional capacity through additional carriages and new infrastructure.

The west coast route modernisation project is about renewing and upgrading the key main rail line in the United Kingdom. It links some key populations of the country. It must accommodate not only many long-distance passenger trains, but, as the right hon. Gentleman correctly stated, numerous local and regional passenger services. It also handles 40 per cent. of the nation's rail freight business. The work of rebuilding has to take place on a live railway. Nevertheless, I believe that it is a success story.

The work is being led by the Government to ensure not only that the route can deal with today's traffic, but that future demands for rail travel are taken into account. The infrastructure work is being delivered by Network Rail, and the train plan operators deliver the services. This is about spending more than £8 billion of public money to provide a railway that is safe, allows trains to operate reliably and has headroom for growth in both passenger and freight traffic. Capacity is being provided for an 80 per cent. increase in long-distance passenger trains, and between 60 and 70 per cent. in freight traffic.

An important feature of the west coast route modernisation is to secure the best return for taxpayers on the investment. I suspect that that goes to the heart of the problem that we are discussing. Modernisation will also ensure that rail contributes the maximum to the overall transport network of the country. It is about getting passengers to use rail in preference to other modes of transport, and experience to date indicates that that is being achieved. However, some difficult choices have to be made.

One of those choices is about allocating such resources where they can deliver the best possible service. It should be noted that, as well as the new Pendolino fleet, the Government have initiated the drafting in of 19 additional tilting 125 mph diesel Voyager trains, the use of five new TransPennine diesel trains and the delivery of 30 additional 100 mph electric trains. Much of the new timetable being planned for December 2008 is focused on the optimal use of those resources, the efficient deployment of which is vital to deliver seats for the rapid traffic growth that we expect. The longer-distance services will be able to run much faster, and much effort is going into ensuring that the weekend services will, at long last, be similar to those for weekdays—but not any time soon.

Passenger traffic on the west coast main line has continued to grow since the introduction of the revised timetables in September 2004. Overall, there has been

[Mr. Tom Harris]

an increase well in excess of 50 per cent., and in some cases the growth has amounted to 80 per cent. Our prediction is that there will be a trebling of long-distance revenue between 2003 and 2012, with the route generating about £1 billion in annual revenue. Additional business has been generated at many stations along the west coast route, including at Penrith. However, Penrith itself is not a high-earning station, nor is its business likely to grow significantly compared to that of other locations on the line. Put simply, the opportunities for growth are much greater elsewhere.

It might help if I describe the situation at Penrith. There are 24 southbound and 25 northbound services throughout the day. They are provided by Virgin West Coast and First TransPennine Express. Of the southbound trains, nine head for London. Typical journey times outside peak hours are just over three hours and 30 minutes, although morning peak trains tend to take about four hours as some weekday engineering work prevents full speed from being achieved on the line near Penrith.

Eight trains a day operate to Birmingham, typically taking about two hours and 45 minutes. The remaining services are for Manchester airport, and they operate every two or three hours. There are more local journey opportunities, with trains calling at Penrith then calling at some of or all these stations—Oxenholme, Lancaster and Preston .

Northbound, 15 trains operate to Glasgow, with a typical journey time of one hour and 40 minutes or more. Eight trains operate to Edinburgh, with a travel time a few minutes longer than that to Glasgow. The remaining trains terminate at Carlisle. All trains that call at Penrith also call at Carlisle.

The new timetables are being planned for introduction in 12 month's time to take advantage of the completion of the west coast route modernisation project. They are designed around the constraints of rolling stock availability and getting the most out of the new infrastructure. In particular, for the first time, the services will start to become competitive with air travel from London and Birmingham to Glasgow, and from Birmingham to Edinburgh. Compared with pre-upgrade times, there will be reductions of some 80 minutes on Anglo-Scottish journey times.

I hear what the right hon. Gentleman says about journey times, although we might have to disagree on their importance. One aspect of his speech was about the environment and persuading people to use trains rather than cars—in his case, travelling on the A66 to Darlington. It is my strongly held view that a key way to encourage people to use long-distance rail services is to make those services competitive and attractive as against air travel. A reduction of between 60 and 80 minutes in the time that it takes to travel from Glasgow to London on the west coast main route would pose a serious challenge to the airlines. I hope the right hon. Gentleman welcomes that.

In the December 2008 timetable, Penrith will be served on a broadly hourly pattern, with a second train in some hours. Across the day, five trains to London are proposed. Journey times will be considerably quicker, with the standard journey time to and from Euston being three hours for the 281 miles. I hope the right hon. Gentleman will acknowledge that that is an impressive average speed of well over 90 mph. It will also be a reduction of 30 minutes on today's typical journey. In the mornings, trains from Penrith will be a full hour quicker.

Journey times for Birmingham services will also be reduced by around 15 minutes to just under two and a half hours. As with London, Birmingham will be served by a spread of trains across the day. The Birmingham service will continue to provide connections with a number of important stations en route, such as Crewe and Stafford. First TransPennine Express services between Edinburgh and Glasgow and Manchester airport will also call there. It might help if I explain that the 07.20 Manchester airport to Glasgow train will call at Penrith at 09.17. Those services will also provide local connections with stations such as Oxenholme and Lancaster.

Significant journey time reductions of around 20 minutes to Manchester—one hour and 40 minutes rather than two hours—will also be possible, and Penrith will gain a through link to Manchester airport, which can be reached in just under two hours rather than two hours and 20 minutes as at present. For northbound journeys, we anticipate that services to Glasgow will be around 15 minutes faster than today. Glasgow will be about 90 minutes from Penrith.

It is worth noting that those changes will benefit other towns nearby. For instance, Carlisle and Oxenholme will benefit from faster journey times. For significant portions of the day, Carlisle to London services will run hourly, with typical journey times of under three and a half hours. The right hon. Gentleman mentioned Carlisle. There will be extra services to Carlisle in the December 2008 timetable.

During modernisation work, Saturday and Sunday services have been disrupted along the entire west coast main line. That will be rectified with the new timetables and the provision of weekend services similar to those in the Monday to Friday timetables, and it will not be interrupted with prolonged engineering activity.

There has been extensive consultation on the matter. The plans were originally consulted on in 2002, and formed part of the 2003 strategy. More detail was contained in the west coast main line progress report, published in May 2006, and more recently in a timetable consultation exercise co-ordinated by the Department for Transport.

Although it is normally the task of operators to undertake consultation exercises, the Department led with that work to present a complete picture of key services over the entire route. That information has been shared widely with numerous stakeholders, including peers of the realm, Members of Parliament, passenger transport executives, regional bodies, local authorities, Passenger Focus, user groups and, most important, passengers. I have asked officials to meet again with Cumbria county council in the new year.

In the two minutes remaining, I can say that the points raised by the right hon. Gentleman will understandably resonate with his constituents. He read through the list of services he wanted to be added to the December 2008 timetable, but I am sure that he realises that organising a real timetable, especially on the west coast route, is pretty much like playing three-dimensional chess. If it were as simple as stopping a particular train at a station, the Government would want to consider it. However, stopping a train and adding another five or six minutes to its journey could have a knock-on effect.

For example, if one of the services that the right hon. Gentleman spoke of stopped at Penrith, it would miss its access pathway to get into Glasgow Central station, which would make the train 10 minutes late. Having invested £10 billion, that is not something that we would readily contemplate.

None the less, my offer remains on the table. I am more than happy to meet the right hon. Gentleman. If there is anything that we can bring to the timetabling group that might address some of his concerns, I will be happy to do so. On this occasion, however, I cannot promise that he will leave that meeting with a light heart.

Question put and agreed to.

Adjourned accordingly at one minute to Two o'clock.

Westminster Hall

Wednesday 12 December 2007

[MR. JOE BENTON *in the Chair*]

Car Manufacturing

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Roy.]*

9.30 am

Mr. Lindsay Hoyle (Chorley) (Lab): I am pleased that this important debate is taking place today. It is about the manufacture of cars, vans, trucks and components in the United Kingdom. There is great interest in the number of jobs in that sector. I am glad to see the Minister in his place. I hope that he will give detailed responses to some of the questions posed this morning, and if he cannot answer today I hope that he will write. It is important to record how important that sector is.

Britain is the sixth-largest manufacturing economy in the world. We now make almost twice as many cars in Britain as we did 25 years ago. Seven of the top vehicle makers are based in the UK, and 19 of the top 20 auto-part makers have a manufacturing presence in the UK. In my constituency of Chorley, we have a huge parts centre and the Leyland Trucks factory. In the north-west—just down the road from your constituency, Mr. Benton—we have Jaguar and Vauxhall. The motor industry has a major presence in the north-west, as it has in my colleagues' constituencies in the east and west midlands.

Many people are bothered about the car industry and the components sector. Many companies have a presence in the area, and they are taking a lot of interest in it, and it is from that angle that we have to consider the matter. More than 75 per cent. of cars made in the UK are exported. Independent surveys show that UK car plants are among the most productive in Europe. I stress that they are the most productive.

Having painted such a picture—a good picture and a good story to be told, at least to begin with—why is there so much uncertainty and concern within our car manufacturing sector? What can we do about it? There is no doubt that globalisation presents massive challenges for the manufacturing industry. India and China have wages at about 15 per cent. of European levels, and they are expected to account for nearly half of global growth over the next 15 years, so it is a serious problem.

In a speech on 23 October, the Minister stated:

> "We cannot hold back global development, and protectionism certainly is not the answer."

I accept that that is what the Minister said. He continued:

> "The companies best placed to prosper in the knowledge economy are those that invest the most in R and D, that are most alive to the commercial opportunities of the ideas they generate; that most successfully bring their ideas to market."

Absolutely. Great R and D is fantastic, but we should not forget that we need a manufacturing base to go with it. It is no use having the best ideas if we export the jobs. Yes, we must invest heavily in R and D. I fully agree with that statement, but the question has to be asked: what is being done to promote R and D and support, through financial incentives? I understand that R and D in the UK car manufacturing sector is so important. The Minister also said that

> "protectionism is not the answer."

I do not believe that old-fashioned protectionism is the answer, but greater protection for UK employees is. We still lag behind our European counterparts in employment rights. That is the problem.

Mr. John Spellar (Warley) (Lab): Although protectionism may not be the answer, is it not extraordinary that the Government, unlike those of the other major car-producing countries, seem to prefer foreign vehicles to British vehicles? Would it not be a good start if Ministers were to be driven in British cars?

Mr. Hoyle: I cannot disagree with my right hon. Friend. He is spot on. In fact, I shall come to that very point later in a little more detail.

The UK has some of the most profitable car plants in Europe, none more so than Vauxhall. However, when costs had to be cut, the company turned to UK plants and UK workers, because it was the easiest and cheapest place to sack people. That is always a problem. There are many more examples of shifts in production, such as at Ford and Peugeot. People are talking about new cars with great British brand names, such as the small Rolls-Royce and the SUV Mini, being built abroad. Aston Martin's new four-seater saloon car is to be built abroad.

Ford made many promises when it closed its last own-badge car plant at Dagenham. I was a member of the Trade and Industry Committee that took evidence from Ford. It said that we should not worry and that although they might not have Ford badges, the company still owned Jaguar, Land Rover and Aston Martin. Those are great brand names and Ford said that it would continue to manufacture them in the UK. Aston Martin is already under foreign ownership and Jaguar and Land Rover are up for sale. That is the difference; they are in foreign hands. Ford will not have a car assembly plant in the UK if it sells to Tata, yet Ford sells more cars in the UK than anywhere else in Europe. The company does very well out of the UK.

Mr. Jim Cunningham (Coventry, South) (Lab): I am sure that my hon. Friend will agree that there is a certain amount of uncertainty about Ford, because no one knows exactly who is going to buy it. That has created much uncertainty in Coventry.

Mr. Hoyle: Absolutely. Uncertainty is what it is all about and especially for the workers, whether in Coventry or Liverpool. It is a big question. Those promises made by Ford, saying that it would continue to build cars in the UK have not been kept. The question must be, where does it leave us with the Ford Transit?

Peter Luff (Mid-Worcestershire) (Con): The hon. Gentleman paints a slightly depressing picture. If I were an employee of Ford, Land Rover or Jaguar, I would rather be owned by a company with money to

[Peter Luff]

invest in new models than a company that was losing billions of pounds that could not make such an investment.

Mr. Hoyle: I have great respect for the Chairman of the Trade and Industry Committee, but we can agree on one thing: we have new models. We should remember that Ford has taken a tough decision. It invested in Aston Martin, made it profitable with new models and then sold it. There has been investment in the Land Rover Discovery and Freelander models, and they are making a profit. It is important to be profitable. Jaguar is losing money, but Ford has invested heavily in the launch of the new mid-range car that will come on the market in March next year, and that should be a huge success. When there is a success story, why sell? Why not show commitment? That is the difference.

Lorely Burt (Solihull) (LD): I understand that Ford is selling the classic marques of Land Rover and Jaguar because elsewhere in the world it is not necessarily so successful. The company is £6 billion in debt. The company does not want those marques to be lost, it wants them to continue—but, as the hon. Gentleman said, with the greater investment needed to meet the challenges of the global market.

Mr. Hoyle: I recognise that, but after the investment, the profitable side is here. Why not close plants in other parts of Europe? We know that Ford have made a lot of closures in America, but once it has turned the corner it is surely better to keep silverware that is well polished rather than silverware that is losing money. It is sad that Ford, which has one of the biggest markets, is now leaving us. I understand that Ford has to make tough decisions, but I am worried for those who work there and their long-term future.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): I agree with the hon. Member for Mid-Worcestershire (Peter Luff) that my hon. Friend is painting a depressing picture. In the north-east, Nissan has been a great success, having produced the Micra, Almera and Primera, and is making about a third of a million cars a year. It has been a success, despite the supposed climate that he describes. There have been success stories, so I do not think that the situation is as depressing as he has articulated so far.

Mr. Hoyle: I have tried to show the balance and the strength of the car manufacturing industry in the UK. However, we must look to the long-term future. We all know that, when the French became involved, the decision on where the next line for the Nissan Micra went was very close. Let us not think that life is so great. That was a tough decision and, thankfully, the Government put in a lot of support for the continuation of that new model. A car plant is only one model away from closure.

Mr. Mark Todd (South Derbyshire) (Lab): While we dwell briefly on successes, Toyota's car assembly plant is based in Burnaston, in my constituency, and is a flagship of a group that is dominating the world in car manufacturing. One thing that would keep it there is investment in proper infrastructure in order to allow the plant effective access to the rail network, which would reduce its logistics costs. That is the kind of investment that we seek from the Government.

Mr. Hoyle: Absolutely right. That is the point that I am making. We must put in the investment to ensure that our car industry has a long-term future. That is what I am concerned about and what I am trying to get across. At the moment, the market is very successful, but we must look to the long-term future.

Rob Marris (Wolverhampton, South-West) (Lab): Does my hon. Friend agree that part of the difficulty for the industry's long-term future in the UK is that, owing to foreign ownership, we have been chasing markets that are, by and large, declining? As far as I am aware, only two superminis are built in the UK—the Mini and Nissan Micra, the latter of which is about six years old. We have been receiving foreign investment in models and market segments that are declining owing to concerns about climate change. We need the Government to pressure foreign car manufacturers to build more superminis and smaller, less environmentally-damaging models, in the UK, because that is where the market is going and where the future is for the car industry.

Mr. Hoyle: I cannot disagree. Some good points are being made. This is about the future and ensuring that the models relate to future demand.

Mr. Cunningham: This is not a question of painting a depressing picture. However, over the last few years, Rover, one of the Jaguar plants at Browns Lane and Marconi have all left Coventry. We must face reality. Those working in plants want to know what their future is. For example, they are the ones who had to pick up the pieces following the Peugeot closure, which was a brutal and callous act by that company.

Mr. Hoyle: I agree absolutely with my hon. Friend. There have been some savage cuts and some incorrect decisions taken. None has been more wrong than the one taken on Peugeot. It was not the fact that it was not profitable; its work force did everything to ensure that production continued, but the money was stripped out and when the decision was made, the Coventry plant was closed. Peugeot still wants the market share. It would not get that in France if it closed all its plants there.

We cannot pretend that everything is rosy. We must face up to that fact. I am sorry to say that there will be further casualties, which is why this debate is so important. I am very worried about certain plants. I want Ford to commit itself to Transit and Land Rover to commit itself to Solihull, but we are not hearing those noises loud and clear. There will be more bad news to come, so we must ensure that there will be good news as well. We can do that and build on what we have with a Government concerned about manufacturing. We do not want protectionism; we are simply asking for fairness and a level playing field. That is the most important thing. At the moment, we are suffering at both ends of the scale. We are all aware that no country in Europe can compete on wage levels with China and India, but we can secure higher skills, high-tech industries and good-quality investment in order to compete on quality with modern production lines. That is how to compete in the global market.

Thanks to UK workers, we achieve this objective, only to have the rug pulled from under our feet because our employment laws are insufficient and make British workers the easiest to get rid of in Europe. We need to adopt the working time directive to improve employment, and to couple that with better rights for temporary and agency workers. Casual and insecure work is now common with more than 2 million workers employed on a temporary basis. Agency staff perform a wide range of tasks. They carry out technical, administrative and production work; they work in finance departments, and are IT and computer specialists.

In a complex survey carried out in the motor industry, 80 per cent. of the companies represented used agency workers. A further 72 per cent. reported that the use of agency work had increased over recent years. What was more surprising and worrying was that 81 per cent. of trade unions representing those firms had no say in the decision to introduce agency work. Agency workers are common in the motor industry and they should have equal rights in pay, hours, holidays, training and terms and conditions. That has got to be our objective and where we must start to push forward.

If UK car manufacturing is to have a future, it has to be in the high-skill, high-tech sector, where considerable time and energy is spent on R and D, and on bringing production to fruition in the UK. That will be transferred into UK manufacturing jobs, if employees are not undermined by weak employment law. In addition to strengthening employment law the Government have a part to play in encouraging companies to invest in skills, innovation, R and D and capital equipment expenditure in order to ensure competitiveness. Vehicle and component manufacturers need both basic and specialist engineering skills to compete.

A recent report by the Confederation of British Industry showed that since the mid 1990s the number of students obtaining a first degree in engineering and technology has fallen by 11 per cent. Greater emphasis has to be placed on engineering and manufacturing as a long-term solution to ensuring that we maintain the skills required to compete in the future. The provision of skills and training should be a shared responsibility between employers, individuals and the Government, and employers should be offering or assisting individuals to access training that will help their long-term employability. The Government should set an example.

Dr. Kumar: The Government have an opportunity to promote engineering in schools. The Government should take the initiative. A recent report by the Royal Academy of Engineering made the point that youngsters are not interested in engineering. Perhaps the Government could make a positive effort. Will the Minister take that up with the Department for Innovation, Universities and Skills?

Mr. Hoyle: My hon. Friend is absolutely right. We must make engineering trendy and look at it in the same way as the Germans, who put engineering first. That is important. The classics might be good for some, but they do not constitute the backbone of the country.

John Hemming (Birmingham, Yardley) (LD): Does the hon. Gentleman share my concern that the precursor to engineering—physics funding—has been cut recently by the Government? Does he accept that exchange rate stability is important to the global market?

Mr. Hoyle: We know that there is a global market out there. However, as the hon. Gentleman knows, most people still deliver in dollars. No one can get away from that fact, no matter how pro-European they might be.

I have continued to press Departments to procure more cars built in the UK. The Ministry of Defence must procure more trucks and vans built here. I have looked into the spread in procurement by the police, ambulance and fire services and by other Government agencies, and I see no recognition of the need to buy British. I am deeply concerned at the apparent hurdle that needs to be overcome. What is wrong with buying British-built products? It is so important that we do so. It is something that the Government and their agencies have to do. Local authorities, the police, fire and ambulance services and primary care trusts have a big spend, but only 26 per cent. of the cars they use are built in the UK. That is ridiculous; it is absolutely absurd. Do we really believe that Italy, Germany and France would do that? We are meant to play on the same playing field, but if they tilt the situation their way, let us tilt it our way.

Peter Luff: The hon. Gentleman plays a valuable role on the Business, Enterprise and Regulatory Reform Committee, which I chair, and it is a privilege to hear him talking that way. However, does he agree that although the symbolism of buying British matters, the symbolism of buying the right environmental technology matters, too? In that context, is it not doubly strange that the Government drive so extensively Toyota Priuses, whose environmental credentials are dubious when compared with British-made, high-technology diesels, for example?

Mr. Hoyle: I am coming on to that very point. My right hon. Friend the Member for Warley (Mr. Spellar) has already made it, and I am building up to it. The hon. Member for Mid-Worcestershire (Peter Luff) is absolutely right, and we must mention it.

When Lord Jones of Birmingham Minister for Trade Promotion and Investment took office, he appeared before our Select Committee, which in those days dealt with a Department that was called quite rightly, the Department for Trade and Industry, rather than the nonsensical name that it now has. I asked him why his Government car was not built in the UK, because he was meant to represent British business. He waffled, gulped and tried to believe that it was built in the UK, but he had to admit that it was not. Well, I am pleased to inform Members that Lord Jones now has a Jaguar and leads by example. [Hon. Members: "Hear, hear!"] The Toyota Prius has been dumped and he is now in a diesel Jaguar, which is flying the flag for UK car production. There is nothing wrong in that, and he has set the example. It is so important that we persuade other Ministers to back British industry. Lord Jones did not take the Labour party card, but at least we have

[Mr. Hoyle]

the Jaguar, so I suppose we have made some progress. We will work on the other aspect later.

Why cannot all Government cars be built in the UK? The Government are the standard bearer for UK industry—the standard bearer for our car manufacturing sector. If UK car manufacturing cannot rely on its Government, who can it rely on for support? That is the key question. On the Prius, what is so special about a car that is built in Japan and transported all the way around the world on a cargo ship—the most pollutive vehicle in the world—to deliver it to this country? It does not have any British car components, and at the end of its life, it costs more to scrap the Prius than it does to scrap a car built in the UK. Why are the Government playing at gestures? It is purely a gesture to say, "I am going round in a hybrid car." It is not good enough, because if the Government had something about themselves and they really wanted to ride around in hybrid cars, they would ask, "Why are they not built in Derby? Why are they not built in the midlands?"

Dr. Kumar: In the north-east.

Mr. Hoyle: In the east, west and the north-east.

If we are serious, and the Government really want hybrid cars, they should put pressure on car manufacturers to build in the UK. They will not build in the UK when they are happy to pollute, ship a car around the world, deliver it to this country and give it to a Minister. We need fewer gestures and more positive action for British manufacturing. That is what we want, and that is how we will see the strength of UK manufacturing.

John Hemming: The hon. Gentleman mentions one of my hobby horses: one can take a car from Solihull, adapt it with a dual-fuel tank and run it primarily on pure vegetable oil. Does he not agree that the Government should examine why we have to buy the adaptations from Germany and why we do not create them in the UK? They should recognise that it is possible to run a diesel Land Rover Discovery on about 85 per cent. vegetable oil.

Mr. Hoyle: There are many options, including the old chip-shop fat, too. What I would say to the hon. Gentleman, however, is that the smell of fish and chips might be a bit much through the windows or in the air conditioning. Mr. Benton might think he was in Blackpool if it was like that. We must recognise that there are other options, including compressed natural gas, which can be used in vehicles.

John Hemming: It is still a fossil fuel.

Mr. Hoyle: Yes, it may be, but there are other options.

The issue is about investment, as we have been trying to say all along. The answer is not to buy from Japan cars that are shipped around the world. Let us make that point clear. I hope that next time we have a debate, the Minister will hold up the keys and say, "I now use a British-made car." The issue is about setting examples, and I know that the Minister listens, and that he will take that on board.

Other countries, such as France and Germany, have a policy of ensuring that their Ministers travel in domestically built cars. We need a clear procurement policy that places the emphasis on best value for the service involved and for the whole UK car manufacturing sector, as opposed to a procurement policy that is based on taking what is cheapest. We are told that we buy many of the vehicles because they are the cheapest, but that does not mean that they are the best.

As I stated at the beginning, the UK car manufacturing sector has an important role to play in our economy. With the necessary support and help from the Government with procurement, stronger employment laws, efforts to improve research and development, and investment in our car manufacturing and component sector, heavy vehicles and light commercial vehicles, we can ensure that we have a viable future based on a highly skilled, high-tech industry.

There is a good picture to be painted, but it can soon be distorted and we can lose what we have. We need a Government who will champion our vehicle industry and ensure that we have a strong component sector to feed into vehicle manufacturing. To the Minister, I say please, whenever we procure, let us use the same rules that the French, Germans and Italians use. What good is a police car built in Japan or Germany? What example does that set? What good is a Highways Agency vehicle from Mitsubishi, riding around Solihull, the home of Land Rover? It is absolutely absurd. We cannot say that the decision is based on price, because part of the fleet is from Land Rover and the other part is from Mitsubishi and Nissan. It makes no sense. We need more common sense from the Government.

The issue is about joined-up government fighting for our future and recognising our car industry, so I ask the Minister to take it on board and give us the good news that he is buying and driving British.

Several hon. Members *rose*—

Mr. Joe Benton (in the Chair): Order. Before I call the next speaker, may I make it known to the Chamber that I propose to start the winding-up speeches at 10.30 am? Quite a number of people have indicated that they wish to speak, and I want to try to get everybody in, so may I ask that everyone be as brief as they possibly can?

9.57 am

Richard Burden (Birmingham, Northfield) (Lab): Thank you for calling me, Mr. Benton. I shall try to be as brief as I can.

I congratulate my hon. Friend the Member for Chorley (Mr. Hoyle) on a typically spirited defence of the motor industry and exposition of the key issues. He is right to draw attention to the major challenges that face the industry in the UK, and his point was well made about the importance of getting our employment laws in line so that workers in the motor industry can be effectively protected. He is right also to point out the key issue of procurement not only by the Government directly, but by all sorts of agencies.

Coming from the midlands, I am, like my hon. Friends the Members for Coventry, South (Mr. Cunningham) and for Birmingham, Erdington (Mr. Simon), very concerned about the future of Jaguar and Land Rover, as no doubt the hon. Member for Solihull (Lorely Burt) is too. None of us pretends that there are no hard decisions to make—of course there are. We all want to ensure that the company is successful. So far, Ford has stressed that it envisages its roles including not only ensuring a good and profitable presence in the UK, but accepting its responsibilities as a corporate citizen in the midlands and in the north-west. I hope that that is true. We certainly wish to hold the Company to it.

Lorely Burt: I thank the hon. Gentleman for giving way so early in his speech. Would an illustration of Ford's intention be the Aston Martin range? It has retained a share in the company and continues as supplier to it for engine and other parts.

Richard Burden: That is certainly one option, that is true. If the hon. Lady will forgive me, I do not want to go into the specifics of that. The important thing is to establish the principle that Jaguar and Land Rover are strategically vital to large parts of our economy and manufacturing industry. If Ford accepts that it has responsibility as a good corporate citizen, the precise form of what happens in the future can be discussed. That principle needs to be established, and I hope that it will be.

No doubt other hon. Members, as they did in interventions on my hon. Friend the Member for Chorley, will talk about many successes as well as the challenges that we face, whether in the north-east with Nissan or General Motors up in Ellesmere Port. I know that my right hon. Friend the Member for Oxford, East (Mr. Smith) will rightly say something about Mini and the success of the Oxford plant, and, coming from the west midlands, it pleases me to know that engines for the Mini are built there, not in Brazil. It is important to recognise that some 25 per cent. of Ford's global engine requirements are still sourced from the UK.

I wish to say a couple of things about the challenge of climate change and how the Government and the industry can respond to it. The Prime Minister is absolutely right that the UK must be at the forefront of driving that agenda forward. It is also right to acknowledge that the industry has achieved rapid progress in the carbon dioxide performance of new cars for some time. That is not an excuse to let up; we need to go further on that and the industry must be pushed to go further, but we need to acknowledge the progress that has been made.

When regulations are brought in and we consider standards, targets and so on, we must recognise that the impact of that will not be even across the sector. They will have different impacts on different parts of the UK car industry. If the environmental performance of a company is considered across a range of models, as appears to be the intention under European regulations, a company with a balanced model range from the supermini to the performance or luxury end of the market will be able to meet its CO_2 targets while still producing, to put it bluntly, quite polluting cars. However, a company producing a specialist model range might produce fewer polluting cars but not hit its targets, purely because it does not have a balanced model range. There is no easy solution to that, but I ask the Minister to bear it in mind. Yes, it will be a problem for Porsche in Germany, but in the UK it will be a problem for Jaguar, Land Rover and Aston Martin—the range of companies that specialise in high-performance cars. If the European regulations go through, we must ensure that their needs are addressed.

On the same issue, we need to consider the industry's overall performance as well as that of individual models when we consider how to improve environmental performance. The Society of Motor Manufacturers and Traders' recent sustainability report carried a sobering message: that progress has been substantial in the performance of individual models, but that in the vehicle industry as a whole aggregate CO_2 emissions have not changed much, because there are a lot more cars on the road, often being driven in inappropriate circumstances. We need to examine the performance of individual vehicles, but we also need to examine the impact on the industry and performance across the sector.

Despite all the challenges, we excel in this country in niche vehicles, performance engineering and motor sport. Those industries employ a substantial number of people, but the real contribution that they can make is to securing and locking in motor manufacturing and the motor industry in a way that meets the needs of the 21st century, not those of the previous century. There is a huge potential crossover between our skills in motor sport technology and performance engineering and the environmental technologies that we need to develop. I welcome the investment that the Government have made so far; such things as the low-carbon vehicles innovation platform are welcome, but they provide fairly short-term funding. It is important that the industry is encouraged to go further and invest long-term, and Government programmes must do that.

In looking to develop and promote those technologies, I ask the Government to please examine the future of Longbridge. This is the one time that I shall mention Longbridge in the debate. There we have a Chinese firm, which will possibly be a partnership of Chinese firms in future, producing cars. However, the production of cars there will not ultimately be the most important thing. What is important is whether they bring R and D there. China has a huge environmental challenge in its motor industry, and we could use our technologies in partnership with it here, not only to build up our industry but to promote sustainability in the automotive sector over in China. Where better to do that than the place that has been synonymous with the car industry in the 20th century and can, if we do it right, be synonymous with automotive environmental technologies in the 21st?

10.6 am

Mr. Andrew Smith (Oxford, East) (Lab): I, too, congratulate my hon. Friend the Member for Chorley (Mr. Hoyle) on securing the debate. He is making a debate here in Westminster Hall on the motor industry

[Mr. Andrew Smith]

a regular feature, and quite right too, given the industry's enormous importance to jobs, innovation, skills, GDP and exports.

Some colleagues may have seen a huge and excellent poster as they drive past Cowley, which has a picture of the Mini, saying "Made in Oxford", and then the words "Sold in" with the flags of more than 80 countries. That is a real tribute to the skill and commitment of all the work force at Cowley and at the Swindon and Hams Hall plants, which make up the Mini production triangle, and to all the suppliers and those who are out there selling the cars. Let us remember the big contribution made to the UK car industry by the dealership network, which is another important part of the industry and has certainly raised its game in recent years.

I am pleased that my good and right hon. Friend the Minister will respond to the debate. We were pleased that he was able to join us for the formal launch of production of the Mini Clubman in Oxford in September. We were particularly glad that the Government sent a tall Minister, because it provided a practical demonstration of the excellent legroom in the new Mini Clubman. Since we last debated the automotive industry here, the Mini has continued to go from strength to strength, with not only the successful launch of the Clubman but the millionth Mini coming off the production line in April and, this year alone, 202,000 Minis sold worldwide—an increase of more than 16 per cent. on the same period last year.

I wish to make a few points about the environmental challenges and opportunities facing the industry, to which my hon. Friend the Member for Birmingham, Northfield (Richard Burden) referred. What the public interest in the industry needs, and what we must work with the EU to ensure, is a stable and transparent framework of expectations and requirements on fuel consumption, emissions and recyclable materials, which is demanding of the industry and incentivises the right performance but also allows for the lead times and investment needed for new technologies and processes. It is important that the Government work with the industry and the trade unions so that there is a joint approach on those crucial issues. I look to the Minister to assure us that they are doing that.

In the industry, there is both recognition of the need to improve environmental performance and cut its carbon footprint and the will to do so, building on the considerable progress on emissions and fuel efficiency that has already been achieved.

Certainly at Cowley, there have been significant advances. The plant has cut the energy consumption for each Mini made by 20 per cent. in the past five years. Water consumption is down by more than 30 per cent. per unit, and waste recycling is up by 134 per cent. The company is committed to further reducing carbon dioxide emissions, energy and water consumption by 5 per cent. per vehicle per year.

The Mini Cooper D has one of the lowest carbon emission levels of any car worldwide at 104 g of CO_2 per km, thus matching the latest hybrid vehicles. I have no doubt that with a well-thought-out regulatory framework and continuing investment in research and development, technology and skills, further progress is not only possible but will be achieved right across the industry, so that environmental delivery comes together with the continual increases in productivity for which the industry is already renowned.

I want to flag up with the Minister a separate matter that will have a bearing on other car plants, given the global nature of the industry and its ownership. It is important that current proposals about linking work permits to English language ability do not override other considerations, and particularly that they do not result in other countries feeling encouraged to put language barriers in the way of British workers being employed abroad. Within BMW—and, I am sure, other companies—there are regular transfers of personnel between not only the UK and Germany, but operations in other countries. We all know that public policy is full of the unintended consequences of well-intended initiatives, and I am sure that we do not want restrictions on movement within transnational companies to be one of them. I ask my right hon. Friend the Minister to keep an eye on that.

This debate is an opportunity for us to talk up British manufacturing and the enormous amount being achieved both by workers and companies in the car industry here. My hon. Friend the Member for Birmingham, Northfield talked about the repatriation of engine production from Brazil to Hams Hall. That is clear evidence that there is nothing inexorable about automotive production and sourcing shifting to low wage economies. On the contrary, the more sophisticated the product, the more advanced our innovation and design, and the better the skills of our work force and supply industries, the more chance we have of retaining relative competitive strategic advantage in this country. I believe that with the right commitment to investment, R and D and skills, and with the right partnership between Government and trade unions, rising environmental expectations are not just a challenge but an opportunity that we can and must make the most of.

10.12 am

Jon Cruddas (Dagenham) (Lab): I do not want to prevent my hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar) from getting in before the 10.30 shutdown, so I shall simply make a few comments echoing points that have already been made. I agree with every word of the previous speech, but I find it quite strange to follow my hon. Friend the Member for Birmingham, Northfield (Richard Burden), because many years ago, before I was an MP, I was involved with him in the fight to protect Longbridge and subsequently in the battle over the Dagenham plant. It brings back to me some of the tiring discussions and fights that we had to maintain car assembly in both those plants. *[Interruption.]*

I also appreciated the speech of my hon. Friend the Member for Chorley (Mr. Hoyle), who is chuntering away at the moment. He is a good friend of mine, and over the years he has consistently been at the forefront of maintaining the case for British manufacturing and the car industry. At times, the climate has been quite cold. A few years ago, before the collapse of WorldCom and Enron, our Government tended to be preoccupied with what we thought of as the new economy, at the expense of the manufacturing industry, which tended to fall off the edge in terms of debates, but the then Department of Trade and Industry later changed its thinking on that dramatically. Throughout all that, my hon. Friend has been at the forefront in maintaining the case for British manufacturing, and I applaud his work.

I also applaud my hon. Friend's speech, especially some of his comments about agency workers and factors such as the downward pressures in the labour market. We in Dagenham have been at the hard end of that, because despite the protestations that people made throughout the protracted struggle to maintain car assembly in the Ford plant, which we lost, the outstanding factor was the ease with which jobs could be cut in this country because of labour market conditions. I still abide by that view, because I saw it happen at close hand.

One thing that my hon. Friend missed out of his tour de force, which focused on manufacturing and the car industry across the whole country, was the role of manufacturing in London. It also seems to be omitted from debates about the capital, in which we become preoccupied with financial services, arguably at the expense of the role of manufacturing. I know that the Minister, as the MP for East Ham, has a working knowledge of the Ford Dagenham plant—indeed, some of his constituents work there—so he will not be one of those who overlook the role of manufacturing in the London economy, or the east London economy, but there is a tendency to do so in debates on future economic strategy. Today's debate gives us an opportunity to overcome that.

As I have said, before I was elected I was involved in attempts to save car assembly at the Ford Dagenham plant. Unfortunately, we did not manage to do that, but, contrary to the belief that the car plant at Dagenham has closed, we did manage to diversify into engine production. Compared with the somewhat darker days between 1997 and 2000, the plant is now thriving as a result of that diversification into diesel engine manufacturing and technology. Since 2003, Ford has invested £800 million in the Ford Dagenham plant, thus confirming its strategic importance as Ford's European diesel engine manufacturing centre. Today, it manufactures engines for Ford, Jaguar, Land Rover and Volvo, and the latest investment will mean that output increases to more than 1 million units by 2009, and that the plant will supply more than 50 per cent. of Ford's global diesel demand. Between them, the Dagenham plant and the Ford Bridgend plant, which manufactures petrol engines for Ford, Jaguar, Land Rover and Volvo, supply about 25 per cent. of Ford's global engine requirement. In any debate on the car industry in this country, we should acknowledge that role in relation to diesel and engine technology and production.

Since 1999 and 2000, when the plant ended car assembly, there has been a massive economic transformation. It has been very bumpy and difficult at times and it has taken a lot of hard work by all parties, but we now sit in a very different place from where we sat then. I should put on record the tireless work of the Mayor of London, his advisers, successive DTI Ministers and advisers, and, indeed, a couple of Prime Ministers in maintaining that investment and working strategically with the Ford Motor Company. At times, the whole plant was threatened, but there has been a major transformation in recent years that will, I hope, provide a platform for further investment and production.

In total, the Ford Motor Company employs about 30,000 people in this country—approximately one third of its employees in Europe—of whom 15,500 are employees of Jaguar and Land Rover. I have a few points to make against that general backdrop about the sale of Jaguar and Land Rover and about R and D, which my hon. Friends have already discussed. There is also a question about the future of the supply chain, which has direct relevance to the Ford Dagenham plant and the future production of diesel engines. The debate about the future of Jaguar and Land Rover is not an isolated debate: the consequences will be felt throughout the British economy.

Research and development is an important part of Ford's UK work, and accounts for up to 80 per cent. of automotive industry R and D in Britain. About 9,500 people are employed at its three main technical centres at Dunton, Gaydon and Whitley, responsible for Jaguar and Land Rover engineering development. Spending in the UK on R and D for Ford brands is around £800 million annually. We need to maintain those investments. It is clear from discussions with Ford that it believes that environmental technology development provides an economic opportunity for the UK. However, the UK cost equation presents a significant challenge to investment, given the growth in technical capability in India and China. Funds are available for R and D activity and investment, but they need to be maintained and, arguably, increased to maintain our current competitive position, especially within the context of the global market, and to maintain and boost employment for UK workers.

Secondly, I want to touch on a couple of points that my hon. Friend the Member for Birmingham, Northfield made about CO_2 emissions legislation. Any new EU legislation on CO_2 emissions needs to ensure that premium manufacturers such as Jaguar and Land Rover are protected. That point was made earlier. The legislation will impose challenging targets for the entire industry, but it is likely that vehicle manufacturer groups will be able to offset their smaller, higher volume vehicles against the lower volume, higher CO_2-emitting vehicles. But if and when Jaguar Land Rover becomes a separate company, it will not be possible to offset emissions in that way, despite the fact that Jaguar Land Rover plans to reduce CO_2 emissions by more than the industry's expected average reduction of 18 per cent. I would appreciate the Minister's comments on that. Do we need provision in the legislation for niche producers? It would mean that companies such as Jaguar and Land Rover, which do not produce a full range of vehicles and whose sales volumes in Europe are relatively low, would have a separate target still expected to be in excess of the average overall reduction for the industry.

Lorely Burt: I have had a number of discussions in Brussels about the targets. My understanding is that the problem is appreciated, and that there is willingness to be flexible in the application. Everyone wants CO_2 levels to decrease—indeed, Land Rover and Jaguar are committed to making huge strides in decreasing

[Lorely Burt]

emissions to below the industry average. That seems to resonate well with the people who will eventually make the decisions on targets.

Jon Cruddas: I appreciate that intervention, because that is my understanding as well. I made the point to give the Minister an opportunity to comment on it. That is why this debate, initiated by my hon. Friend the Member for Chorley, is timely.

The objective of any sale should be to provide Jaguar Land Rover with the ownership, technology and investment structure that it needs to allow it to reach its full potential, while enabling Ford Motor Company to concentrate on its core business strategy.

Mr. Hoyle: We must guarantee that any takeover or buy-out keeps not only the same powertrain going, but the rest of the component sector that feeds into Land Rover and Jaguar, because, unfortunately, people have to take the cost out to pay the bill for buying them. Let us hope that there will be guarantees for everybody.

Jon Cruddas: Funnily enough, that is exactly the point that I was about to make, as there is a direct interest for my east London constituency. The changes would ricochet throughout other parts of the British economy as well, which is the primary reason for having this debate today.

As the largest employer in the UK auto industry, Ford has responsibilities not only to its employees but to its local communities. There would be significant connections between Ford Motor Company and Jaguar Land Rover in terms of component supply, engineering and manufacturing, and any potential sale would need to take full account of that, not least in terms of the consequences for diesel engine production in my Dagenham constituency. The company has selected several bidders to proceed to more detailed discussions. The successful bidder must be a strong owner for the business going forward.

Overall, I very much welcome this debate. It has allowed us to put several points on the agenda in a short time. I look forward to the Minister's response and commend my hon. Friend the Member for Chorley for initiating it.

10.23 am

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): It is a great pleasure to follow the hon. Member for Dagenham (Jon Cruddas). I strongly agree that our Labour Government neglected manufacturing during their first term. We did not do enough—we were relying too much on dotcom culture. I remember telling Peter Mandelson that that would blow up, and that is exactly what happened. I agree with my hon. Friend's sentiments that we should have done more in the first term.

However, much more has been done for manufacturing in the second term and this one. I am happy that the Minister is here, because he takes manufacturing seriously. In all the discussions that I have had with him on different occasions and in different Departments, he has been a great champion of manufacturing. He is honest and realistic about globalisation, and I have agreed with nearly everything that he has said at different times about manufacturing and the direction that the Government are taking. I am happy that he is on stream for this debate.

I congratulate my very dear hon. Friend the Member for Chorley (Mr. Hoyle) on initiating this debate. As other Members said, it has become an annual event, and long may it continue. It is vital that we discuss manufacturing and car production, which is an important sector. May my hon. Friend carry on applying for these debates, and may Mr. Speaker always grant them in the years to come.

I want to tell the House a success story. My hon. Friend focused on the depressing end, but I want to talk about the north-east and the great success of Nissan. The car production sector is important to us in the north-east. It makes up 10 per cent. of the UK's gross value added in this area of the engineering sector. I ask nothing from the Minister, but just want to put on the record a success story in the north-east.

The car production sector employs 15,000 people in the north-east. The region is home to Nissan's manufacturing base, and the plant and its supply chain lie at the heart of the region's activity. There are, of course, companies other than Nissan, and in the original equipment manufacturers I would include Caterpillar, which runs a thriving plant in my constituency and enjoys a mutually productive partnership with Corus Special Sections. They share a common site at Carlin How at Skinningrove in east Cleveland. I also want to mention ElringKlinger Gaskets, a major employer in the Teesside area that employs a large number of my constituents.

The efforts of the car production sector are recognised by development interest in the region. Support from the regional development agency One NorthEast, the Government office and the region's local councils has helped the sector to generate profitable growth, to provide focused business support, to promote the regional car manufacturing capability and to provide a management service that reflects the strategic importance of the sector in the north-east.

A key challenge has been to encourage good practice in training for an industry that is still relatively new to the region and to encourage similar good practice in production techniques. The key driver in the sector is, of course, Nissan Motors, which has had its UK manufacturing base in Sunderland since 1986. It has been identified as the most productive car plant in Europe for the past seven years running, and here I want to thank the Government for their financial support. Millions of pounds have been allocated to Nissan, and it was appreciated. I appreciate the Government's support.

With nearly one third of a million Micra, Almera and Primera models produced each year, Nissan now accounts for one in five of all cars produced in the UK. Sunderland was selected for the production of a new sports utility vehicle range, with £500 million of investment creating a further 400 jobs.

Nissan's plant is highly technically advanced. A total of 435 functioning robots provide for nearly 80 per cent. automation of the assembly process at the plant. About 75 per cent. of production is exported to markets in 45 countries, including the Nissan home nation of Japan. Nissan contributes some £500 million to the local economy each year and has 240 suppliers in the region. Its total investment exceeds £2 billion, and some 5,000 people are employed at the plant.

Nissan has also been the agency for creating a large supply base in the region. Significant suppliers include Hashimoto, Magna Kansei, Calsonic Kansei, TRW Automotive and Johnson Controls. Much of the work is concentrated around Sunderland, and the city continues to build on its worldwide reputation as a centre of car manufacturing. The sector employs 12,000 people in the city alone. There is potential for further growth of the sector throughout the region through the development of local supply chains and the adoption of advanced manufacturing practices. That will help to maintain global competitiveness.

Hon. Members have mentioned training, support, and research and development. In commenting on one aspect of training, I commend an institution: the Institute for Automotive and Manufacturing Advanced Practice which is based at the university of Sunderland and which provides consultancy, training and industry-led research, including design and process solutions delivered through the computer-aided engineering centre. Its expertise covers a broad range of industrial applications with particular strengths in the car manufacturing sector. It can provide a range of valuable services to manufacturers with the added weight of its existing expertise as a leading group in niche international research. Its services can be applied equally to smaller companies of 100 or fewer employees through to major corporations. They can also be applied to individuals who are looking to upskill their engineering expertise through education and professional development.

My time has run out, but I again congratulate my hon. Friend the Member for Chorley on securing this debate. I wanted to put on record the great success story in my constituency because it is important. I hope that the Minister will take that success forward, and I thank the Government for their support in my constituency.

10.31 am

Lorely Burt (Solihull) (LD): I add my congratulations to the hon. Member for Chorley (Mr. Hoyle). I requested this debate on 28 June following the announcement of the proposed sell-off of Jaguar and Land Rover. To misquote Mark Twain, the report of the car industry's death in Britain is somewhat premature, and I am fed up with the nay-sayers who say that the industry is on its knees. However, there is a bad side with 6,000 jobs lost at Land Rover at Longbridge, and 2,300 lost at Peugeot Citroen just round the corner from Solihull at Ryton. Vauxhall has had job losses at Ellesmere Port; Ford has had £6 billion of losses worldwide, and is selling the classic marques of Jaguar and Land Rover to try to balance its books.

The hon. Members for Chorley and for Dagenham (Jon Cruddas) bemoan the fact that it is cheaper to close a factory in the United Kingdom than in other parts of Europe, but the UK is also a more attractive place in which to set up a car factory, because of our flexible working practices.

Mr. Hoyle: Although I agree with the hon. Lady, the last plant to be set up here was Toyota, and we have not had that success. In fact, during 10 years of this Government, no major car plant has been established in the UK, but there have been closures, and the hon. Lady should think carefully about that.

Lorely Burt: I am grateful for that intervention, because the hon. Gentleman makes a good point, but our flexibility is a huge selling point for retaining our existing manufacturing industry, as is the attractiveness of the UK as a destination for manufacturers. I shall talk about that later.

Let us look at the success side. During the past decade, Japanese car giants have invested £5 billion in the UK, and created 10,000 jobs. The hon. Member for Middlesbrough, South and East Cleveland (Dr. Kumar) gave a delightful description of the stunning success of Nissan's car plant. BMW now employs 55,000 people in the UK, following the Mini's tremendous success, with 200,000 cars built at Cowley last year, as the right hon. Member for Oxford, East (Mr. Smith) said. The United Kingdom builds more cars today than ever before—1.8 million last year, 74 per cent. of which were exported.

Richard Burden: We have paid credit to a number of companies, and it would be remiss if the debate concluded without a mention of Honda and its expansion at Swindon. Indeed, it has added a third shift, and we must publicly acknowledge that.

Lorely Burt: I am grateful to the hon. Gentleman for mentioning Honda. I totally concur with his point.

Jaguar and Land Rover are being sold not because they are so-called basket cases, but because they will fetch a good price. The hon. Member for Chorley said that Ford is selling off the family silver, and that is regrettable, but I recall the earlier point that that will involve large investment in the company. That investment is necessary, although Ford has invested £1 billion in new technology and fighting carbon emissions to make their vehicles more environmentally friendly and competitive.

Land Rover is a success story, and well known to me as it is in my constituency. It is a unique, iconic brand, and is revered around the world for its ability to keep going on any terrain. When I was in Dallas in the autumn I visited a Land Rover dealer. In America, the Land Rover is dwarfed by some 4x4 vehicles, but there is great love and respect for the brand, which is borne out of a history that the Americans have grown up with. Global sales rose by 27 per cent. last year up to November. Land Rover, which is coming up to its 60th birthday, is enjoying its third record sales year, and 70 per cent. of those sales contribute to our export balance of payments.

I mentioned Ford's investment in low-carbon technology, which includes the e-terrain technology concept vehicle that will have CO_2 emissions of 150 g/per km. Ford is making great strides in reducing carbon emissions and developing new technology.

Interest in buying the Land Rover and Jaguar marques has been very keen. The announcement of the preferred bidder is expected soon. I acknowledge the points made by the hon. Member for Chorley about the uncertainty and worry for families, particularly in

[Lorely Burt]

the west midlands. We can only accept the assurances that Ford has given that it is a good, corporately responsible employer and that it is looking for long-term continuity for both marques. That has been a major consideration in its evaluation of the bids. We do not know who the preferred bidder will be, but we hope that it will give similar commitments.

The elephant in the room, which I have not mentioned, is ownership. Apart from classic, niche marques, such as Morgan and Bristol, the UK car manufacturing industry has no ownership worth speaking of, but that is a fact of life. We have had to come to terms with the death by a 1,000 cuts of an industry's ownership, but we are where we are, and there is more to be hopeful about in the industry's future.

Another cause for optimism in car manufacturing is global warming, which seems to be posing a great threat. Foreign manufacturers flock to the UK because of our skills base and expertise, as the hon. Member for Birmingham, Northfield (Richard Burden) said. Our innovative design and technology is cutting edge. Why else would all the formula one teams have engineering resources here? We are simply the best at automotive engineering and we are putting our energies into meeting the climate change challenge. As the hon. Gentleman said, we can export that technology, as well as the vehicles that we manufacture.

I want to leave hon. Members with just a couple of examples. The British-owned electric Smart car is produced by Zytek in Lichfield, and hon. Members will see the G-Wiz on the streets of London any day. For those who want the ultimate sports car, there is the Tesla Roadster. The company is American-owned, but has a British subsidiary. The car does 0 to 60mph in under four seconds. It also does 135 mpg and 245 miles per charge—yes, it is electric. It costs less than 1p per mile to run and it is beautiful—it is a car to drool over.

So the future is bright—the future is electric. We have the ability to meet market and global warming challenges. Not all change is welcome, but change does give British engineers and workers the opportunity to take full advantage of their skills and to lead the world.

10.41 am

Charles Hendry (Wealden) (Con): It is a pleasure to follow the upbeat speech by the hon. Member for Solihull (Lorely Burt). I join other colleagues in congratulating the hon. Member for Chorley (Mr. Hoyle) on once again securing a debate on this issue and on introducing it in the passionate and sincere way that we have come to expect—indeed, there were a few challenges in there for the Government as well.

I am glad that the debate has focused on the positive side of the car industry and on what is going on. As the hon. Member for Middlesbrough, South and East Cleveland (Dr. Kumar) emphasised, however, the debate is being held against the background of a decline in manufacturing generally. One million manufacturing jobs have been lost over the past 10 years and manufacturing's share of our GDP has fallen from about 18 to 13 per cent. over the same period.

We should be in no doubt, however, that the car industry has been fighting back with great vigour and we should rightly be proud of it. It still accounts for 10 per cent. of manufacturing turnover and it also accounts for £20 billion of exports, or 10 per cent. of the total. As others have said, the industry's output of 1.8 million vehicles is historically good, with the overwhelming majority being exported.

The sector is investing heavily in research and development, with £1 billion going into R and D this year. The Society of Motor Manufacturers and Traders estimates that 2,000 businesses around the country are completely dependent on the automotive sector for their business. That has resulted in an extra 140,000 jobs and a turnover of £12 billion, with a further £3 billion in turnover and 50,000 jobs being created among more general suppliers to the industry. We are therefore talking about not only the major names, with which we are all familiar, but a vast range of other companies, which are completely dependent on the success of the British motor industry for their survival.

We are seeing much greater specialisation than we have in the past. As others have said, the United Kingdom has become a global centre for excellence in the production of engines, and we will produce 3 million engines this year, compared with 2.4 million in 1999. Ford is creating 250 new jobs at Bridgend, and 25 per cent. of global demand for the company's engines will be sourced from the United Kingdom.

I listened with interest to the hon. Member for Dagenham (Jon Cruddas). It is perhaps ironic that it will not be possible for people in London to drive vehicles containing many of the engines made at Dagenham once the Mayor's new super-congestion charge comes in, because those engines will be too large, but we should nevertheless celebrate the success that Ford has brought to the factory.

This country has the largest collection of specialist car manufacturers of any country in the world. We have seen an increased commitment from Bentley and a brand-new Rolls-Royce factory. In this day and age, it is remarkable to have a completely new concept for a motor car and a new facility such as that being set up in Chichester. In addition, Ford has invested £800 million in Land Rover, Range Rover and the Jaguar XJ and XK.

The hon. Member for Chorley was churlish—or perhaps the hon. Member for Churley was chorlish—in the way he spoke about Ford. We should recognise that some great brands, such as Jaguar and Aston Martin, would have disappeared had it not been for Ford's ownership and investment in R and D and design facilities. The fact that they are now being sold on says more about the global state of Ford than about its affection and love for them.

Mr. Hoyle: Those are great brands, and there has been great investment by Ford. The company has driven things so well and put all these new measures in place, but it is now selling, and that is my regret—not what the company has done otherwise.

Charles Hendry: If there is a silver lining in this story, it is that these brands will now be central to the goals of the companies that own them, rather than being a niche element in a major company. I happened to go to Aston Martin yesterday for the unveiling of its new concept car, the V12 Vantage RS, and the opening of its design studio—obviously, someone has to go. Some might think that the company has lost its way, but it has a greater sense of direction and greater passion than it has ever had before. Indeed, we have spoken about environmental issues, and the company's new design studio uses 80 per cent. less energy than a typical building and it was built more cheaply. These companies are leading the world not only in the design of their motor cars, but in the way in which they develop them.

We should not be shy about celebrating success. One challenge is that we should be able say, "You can be green and have fun." We should not say that we all have to move away from specialist cars simply because of environmental issues—we must keep the issue in proportion. We should celebrate the fact that Aston Martin is apparently this country's coolest brand. Most of us do not know a huge amount about being cool, but I think that we would agree that Aston Martin is our coolest brand—indeed, it was this year's luxury car of the year globally. The company has created 1,800 jobs since 2000, with another 2,000 to 3,000 jobs being created among its suppliers. As the company's chairman, Dr. Ulrich Bez, said last night, the company has been given a future, based on its core values of engineering and design.

There are other areas of specialist engineering in which this country is leading the world. Ricardo, an engineering company that started in Shoreham, but which now works globally, has a fantastic record, with 70 per cent. of its work taking place outside the UK. As has been mentioned, we are also global leaders in motor sport development, but perhaps that should be the subject of a further debate, given the lack of Government support that the sector receives.

The contribution made by the mass-production car companies has rightly been recognised in the debate. Tributes have been paid to Nissan, Honda and Toyota, and mention has been made of the massive success of the Mini, which has brought so much joy to people across the country. That success has been possible because of the commitment that such companies and their parents have shown to investing in research and development. Ford has put £800 million into R and D in the UK and employs 9,500 people in its three technical centres. As has been mentioned, it has invested £1 billion in green technologies, most of which will be delivered through companies and centres in the UK.

As has been rightly said, however, there are concerns, including about skills. We are not producing enough graduates with the skills that the automotive business requires to prosper in this country. Ricardo has had to open a technical base in the Czech Republic to identify graduates with the skills base that it needs. We should tie into that a general concern about the status of engineering. Too many people who study engineering end up being thought of as technicians—people who will come and mend the boiler when it goes wrong—rather than as people with an extremely important degree.

Dr. Kumar: Will the hon. Gentleman give way?

Charles Hendry: I hope that the hon. Gentleman will forgive me, but I will not give way, because time is short.

Engineering should be given much higher status in this country. We should also be concerned about the loss of specialist departments. We have lost 31 physics departments and five maths departments. If we want to attract high-technology investors to this country, we will have to do more to encourage young people to study science and engineering so that companies know that they can come here and find people with the skills that they need.

We clearly face global competition, and global companies must take difficult decisions, but I say to the hon. Member for Chorley that employment protection is not the way forward. It might force some people to stay who might have chosen to do other things, but it will also drive away the new investment that we need.

Finally, as to green issues, the motor industry is leading change. It is not the laggard that it is often portrayed as. New materials are being used, such as carbon to reduce vehicle weight; brilliant design improves motor cars' aerodynamics and fuel efficiency; and we have some of the world's best engineering minds examining how to develop clean diesel, biofuels and hydrogen-powered cars. The industry sees the environmental challenges clearly, and comes up with unbelievably brilliant and sophisticated solutions. The hon. Members for Birmingham, Northfield (Richard Burden) and for Dagenham rightly referred to the issue that faces some of our niche manufacturers in relation to carbon targets. I hope that the Minister will reassure us that he is fighting Britain's corner on that.

This debate was well worth having, because it has given us all the opportunity to pay tribute to a great British success story.

10.50 am

The Minister for Competitiveness (Mr. Stephen Timms): This has been an excellent debate, and I, too, congratulate my hon. Friend the Member for Chorley (Mr. Hoyle) on securing it. He and all the other hon. Members who have taken part have shown that passionate support for UK car manufacturing continues in the House. I welcome that; such support is one of the industry's strengths. I assure hon. Members that the Government are determined to sustain success in UK car making.

My hon. Friend was right to draw attention, as other hon. Members did, to successes, which include that of Vauxhall Ellesmere Port in beating off fierce competition from elsewhere in Europe for the new Astra. That example shows what can be achieved when management, Government, regional agencies and, crucially, the work force and the trade union, work together to win new investment. I thought that my hon. Friend was a little churlish in his comments about new plant, because that was an important win for the UK against fierce international competition.

The Mini is a second example of success. I very much enjoyed attending, with my right hon.—and also tall—Friend the Member for Oxford, East (Mr. Smith) the launch of the Mini Clubman on 11 September. That is a fantastic success. We have raised with the Home Office my right hon. Friend's important point about language

[Mr. Stephen Timms]

requirements on employees from elsewhere, and we shall continue to keep in touch with the Home Office about that. In addition to developments in relation to the Mini, there are record production levels at three other volume car makers: Honda—as my hon. Friend the Member for Birmingham, Northfield (Richard Burden) mentioned; Land Rover, to which the hon. Member for Solihull (Lorely Burt) drew attention; and Nissan, to which my hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar) effectively drew the House's attention. I thank my hon. Friend for his kind words; it is a remarkable and impressive story. All those car makers are producing excellent new products that are in high demand.

All that I have described means that despite the terrible loss of Peugeot Ryton it looks likely that UK car output for this year will be higher than last year's. We exported more UK-made vehicles and engines last year than ever before. My hon. Friend the Member for Dagenham (Jon Cruddas) and the hon. Member for Wealden (Charles Hendry) were right to emphasise the importance, and success, of engine making in the UK.

Of course there are big challenges. The global industry is intensely competitive and is undergoing enormous change. Jaguar Land Rover is very important to the UK economy, sustaining, as we have heard, more than 15,000 direct jobs, not to mention many more in the dealer network and the UK supply chain, with which Jaguar and Rover are particularly closely integrated. The business is also a significant research and development investor. It is not a business in crisis.

The hon. Member for Solihull was right to talk about the record production levels at Land Rover. The combined business is profitable. I agree with the optimism of my hon. Friend the Member for Chorley about the prospects for the new Jaguar model, as well. We have therefore attached high priority to close engagement with Ford and with the sale process. There have been regular ministerial contacts with senior Ford management. Our objective is a long-term future for Jaguar Land Rover businesses in the UK. We shall do whatever we can to help to secure that, and will certainly work as closely with any new owner as we always have done with Ford, to that end.

We shall also work more widely to ensure that the automotive sector in the UK can sustain its competitiveness in the face of the twin challenges of low-cost competition and the transition to low-carbon technologies, about which hon. Members have spoken. We shall continue to support investment, where we can, and to work on skills. The automotive sector in particular will benefit greatly from being an early focus of the National Skills Academy for Manufacturing, which was launched last year. We shall continue to focus on the challenges faced by the automotive supply chain, with our supply chain groups programme, which was launched in 2003.

I particularly want to comment, in the few minutes I have left, on the issues raised in the debate about the environmental challenge that car making in the UK needs to address. Some important points were made. I agree with much of what my hon. Friends the Members for Birmingham, Northfield and for Dagenham said. Professor Julia King set out the scale of the challenge in her report for the pre-Budget report. Her assessment was that delivery of our overall carbon reduction target will require a 50 per cent. reduction in new car emissions by 2030 and complete decarbonisation by 2050. The final report, for the coming Budget, will make more specific recommendations to inform our development of policy on how to respond to that large challenge.

I think that the challenge is one that the UK automotive sector can be confident about. As my hon. Friend the Member for Dagenham said, the UK is Ford's European centre for powertrain development. The company announced last year a £1 billion commitment to the development of lower-carbon vehicles in the UK. In addition to that, as the hon. Member for Wealden also mentioned, we have world-leading independent design engineering, including MIRA, Prodrive and Ricardo. We have a range of strengths in emerging low-carbon vehicle technologies, including world-beating work in some of our universities on, for example, battery chemistry and hydrogen storage, and the progress made by such companies as Johnson Matthey and Intelligent Energy with proton exchange membrane fuel cells, and FIFE Batteries with lithium-ion battery development. That is technology at the world's leading edge, in areas that we know will be crucial.

We are determined to provide support to help with the leverage of competitive advantage from those technology strengths. In September, the Technology Strategy Board announced the launch of its innovation platform for low-carbon vehicles, with an initial commitment of £30 million. I want to make a point to set against the concerns expressed by my hon. Friend the Member for Birmingham, Northfield about the short-term character of the platform. The board expects innovation platforms to last a minimum of five years—perhaps longer. The focus is on the business challenge in the area. We cannot guarantee future funding, but I hope that it will continue at similar levels.

With support from Cenex, the centre of excellence for low carbon and fuel cells, Zytek is, as we have heard, converting up to 200 Smart cars for Daimler from conventional to electric power, to be trialled in the coming months. In the west midlands, the regional development agency has provided well over £30 million to enhance the manufacturing and design capabilities of automotive supplier companies under the premium automotive research and development programme.

Regulation, too, can be a strong driver of innovation, and we shall support EU-wide mandatory targets for new car CO_2 emissions. We await the European Commission's forthcoming proposal about that with interest. I agree with what my hon. Friend the Member for Birmingham, Northfield said about that issue, and we shall work to secure a mechanism that combines ambitious but realistic targets with enough flexibility to allow for the diversity of the European automotive sector—which is reflected in the diversity of production in the UK—from volume producers across Europe, such as Volkswagen and Toyota, to more niche businesses such as Aston Martin or a potentially independent Jaguar Land Rover. I listened with interest to the experiences that the hon. Member for Wealden had with Aston Martin yesterday. It is crucial to get the judgments right, and we shall work hard to do that.

My speaking time is almost up, but I want to comment briefly on the important points about labour market regulation raised by my hon. Friend the Member for Chorley. Our flexible labour markets in the UK, including the availability of agency workers, have been a significant factor in the successes that we have celebrated in the debate, and in attracting inward investment to the UK. My hon. Friend the Member for Chorley does not want to—

Mr. Joe Benton (in the Chair): Order. It is time for the next debate.

Train Services (Nuneaton)

11 am

Mr. Bill Olner (Nuneaton) (Lab): I am delighted to have secured this debate on rail services at Nuneaton or, as I should perhaps say, on the proposed lack of such services. That is why I have asked for the debate, and why I am delighted to have secured it.

The Minister will know of my anger and that of the wider community at the proposals. He will recall that I have met him twice, and his predecessor once, to protest against the plans. Following that first meeting, there was some movement: instead of nothing stopping at Nuneaton, peak services to London in the morning, and return services in the evening, would at least be planned. However, that is not good enough because there are no services in the morning peak to connect London to Nuneaton, and it denies the people of Nuneaton the ability to travel quickly to the north and back again. By "the north", I mean Manchester and a place close to your heart, Mr. Benton, Liverpool. Under the plans, the good people of Nuneaton will not be able to travel to your great city on a fast inter-city train.

The Minister should reflect on what Nuneaton is. It is in the centre of the country and a huge operations and logistics hub. In modern times, following the electrification of the railways, we saw the demise of the loco sheds in the town, but it remained a central railway hub between north and south, and east and west, on the west coast main line. That was recognised by the Minister for the West Midlands, my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Byrne), in a speech to the Advantage West Midlands annual conference. He said that transport is a key—perhaps the key—enabler when it comes to sustainable growth and that it is important that the west midlands give close consideration to what investments would make the biggest impact on the community.

Nuneaton is very much part of the west midlands. The previous debate in this Chamber was on the auto industry, which still plays a big part in the area. The Minister for the West Midlands recognised that in his speech to the Advantage West Midlands conference when he said that Government announcement of the enhancement of the freight lines that link Nuneaton to Peterborough and Southampton shows the importance of the link. However, if the link is good enough for freight travel, it is good enough for the people of Nuneaton who demand a good rail service.

The Minister and the operator, Virgin Trains, have received representations from many individuals and organisations on retaining the current fast, hourly services in Nuneaton, including from the Labour-controlled Nuneaton and Bedworth council, Conservative-controlled Warwickshire county council and organisations such as the Guide Dogs for the Blind Association, which submitted a document to the Minister. I should like to express gratitude to a local member of the association, Diana Gidlow, who was active in raising a petition against the proposed reduction of services.

The Nuneaton Train Rail Users Group—I should probably call it "TRUG" to make it easier to say—has also supported the campaign against the reduction in services. I express my gratitude and respect for the group's analysis of current operations, which the

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Minister has received. I entirely agree with the group that the loading figures that the Minister and the Department have been given are incorrect. I do not know what the local authorities will do about that but, frankly, if the new timetable goes ahead on those incorrect figures, it might well be challenged in the courts. The figures for the proposals are inaccurate.

I must declare an interest. As you know, Mr. Benton, we sometimes share a train when you go back to Liverpool. I sometimes wave you goodbye when the train moves on from Nuneaton, and I would like the opportunity to continue to make such journeys. Since 1992, when I was elected, I have used the train 98 per cent. of the time to come to and go from London to do my duties as a Member of Parliament. We all know of times when we have had to go to our constituencies at a moment's notice—something urgent such as a murder, or a serious fire or flood could happen, and we must travel back. I will not be able to do that in future.

The alternative to the current services would be to use a very inferior slow train from London, which might take me first to Crewe and so on. Such a journey would take one hour and 45 minutes, as opposed to the hour it takes at the moment. I do not decry the new services—I welcome them because they will give us a better link to Northampton and other areas such as Crewe and Stafford—but Nuneaton also requires fast trains. I could travel by train from Euston up to Coventry, which takes an hour, but the journey would have to be finished by motor car, which would not be good for our green credentials. The changes will make the Government Whips very unhappy: I will need to spend longer outside the House, off-duty, than I would spend in it, because of the long journey times.

I should underline Nuneaton's uniqueness. It is on the Trent valley route for the west coast main line and, as I said, serves a fast north-south route, not only for my constituents, but for those of the Minister for Pensions Reform, my hon. and learned Friend the Member for North Warwickshire (Mr. O'Brien), whose constituency neighbours mine. The station serves members of the wider community and locality as a quick north-south route. I must say that I did not realise how many people from around the area use Nuneaton as a hub to make journeys to London and elsewhere until this matter came up. In fact, some have moved from London and the south to come to my part of the midlands and commute quickly and safely to London.

To underline that point, I shall give some figures. Nuneaton is a community of 120,700 people, and we could add 30,000 people around the area who use Nuneaton's good rail links. The latter are a major group of people who reside along and use the Trent valley section of the west coast main line. I would suggest that there are more in that group than passengers from Stafford. The neighbouring town of Rugby, which I love dearly—part of Rugby borough is in my constituency—has a population of only 90,000, yet it will have a fast hourly service to London from the Birmingham-Coventry loop.

Looking at the proposed timetables, I see that Rugby will also have an hourly service from the Trent valley route—amazing. We are talking about a catchment area whose population is considerably less than that of Nuneaton and the surrounding area, which does not get any trains going south to north at all until after the peak and gets only four trains a day coming back down, which is in the morning peak. However, the town of Rugby gets a service of two trains an hour down to London. There is something out of kilter there.

That said, I hope that I bring the Minister good news; it is certainly breaking news. The all-party west coast main line group had a presentation given to it yesterday called "Delivering West Coast Growth". The presentation was by Chris Gibb, managing director of Virgin West Coast, and Tony Collins, chief executive of Virgin Trains. I do not quarrel with the principle of what they are trying to achieve in producing faster links from Manchester and Liverpool back down to London. I do not disagree with the view that it will be better for the environment if people travel that way sooner, rather than catch a plane. It has been proven how attractive those trains are already—they are pretty full and well used. I imagine that some flights from Manchester or Liverpool to London, if they still exist, have lost business to the train. That is to be welcomed.

I am quite happy about the proposed three-trains-an-hour service to Manchester and the two-trains-an-hour service to Liverpool. However, I have vented my anger to the Minister on many occasions about the proposed reductions and I have to say that Mr. Collins was not free of that anger either when I started questioning him closely. He said—do not take my word for it; I have asked the secretary of the group to send a letter to the Minister to verify what he said—that Virgin Trains would be quite happy to stop one of the two hourly trains to Liverpool at Nuneaton. I think that that is the breakthrough that we need, and I hope it is the breakthrough that the Minister and his officials need.

Virgin has said that it is quite prepared to do that. If it fits in with the timetable and the rest of the timetabling, I think that yesterday's meeting—and, I hope, today's debate—ensure that my constituents and all the user groups that I represent get nothing less than what they deserve, which is a fast hourly service north and south.

11.13 am

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): First, I congratulate my hon. Friend the Member for Nuneaton (Mr. Olner) on securing the debate and on his tenacious lobbying over the past weeks and months. He referred to that in his closing remarks and it is true that there have been occasions in the Lobby and in the Tea Room on which, hoping for a quiet, relaxing cup of tea or hoping to go through the Lobby unhindered, I have met my hon. Friend, who never loses an opportunity to lobby me on an issue that I know he feels extremely strongly about. I understand that. If his lobbying me and Virgin Trains has resulted in the good news that he has just announced, that is of course very good news for him. I will certainly look into the matter to try to confirm what Virgin Trains has told him. If what he says is indeed the case, he should be congratulated because he is one of the most energetic campaigners on train services in the House.

The west coast route modernisation project is about renewing and upgrading the key main rail line of the

United Kingdom. It links some of the key populations of the country. It must accommodate not only many long-distance passenger trains, but numerous local and regional passenger services. It also handles 40 per cent. of the nation's rail freight business. The work of rebuilding has to take place on a live railway, but it is a success story. We are spending more than £8 billion of public money to provide a railway that is safe, allows trains to operate reliably and has headroom for growth in both passenger and freight traffic. Capacity is being provided for 80 per cent. more long-distance passenger trains and between 60 and 70 per cent. more freight traffic.

My hon. Friend will understand that an important feature of west coast route modernisation is to secure the best return for taxpayers on the investment being made in modernising the route. We also want to ensure that rail contributes the maximum possible to the overall transport network in the country. We aim to get passengers to use rail in preference to other modes of transport, and experience to date shows that that is being achieved. Forecasts indicate a trebling of customers on the route over the eight years from 2003 to 2012, but—this "but" will not make my hon. Friend particularly happy—some difficult choices have to be made. That includes allocating such resources where they can deliver the best possible service.

I was encouraged by my hon. Friend's comment that he recognises the need to get the best value for the public out of the west coast route modernisation. He accepts that we must provide better journey times if we are to provide a rail service that will compete with domestic air travel. However, it is inevitable that, where cutting the time that a train journey takes leads to the removal of certain stops along the way, the local MP and local communities in those locations will object. I challenge my hon. Friend to name a single hon. Member who would welcome a cut in services at their local stations. Of course they would not.

Mr. Olner: The Minister is right about that, but I highlighted the vast difference in service, should the proposed changes go ahead, that the more heavily populated area of Nuneaton will receive compared with that for the much less populated area of Rugby, which will have a fast train to London every half an hour throughout the day. There is not a lot of fairness in that, and it is the fairness of the decisions that I think is important.

Mr. Harris: I understand my hon. Friend's point; let me make two points in response. First, Rugby provides two and a half times the traffic that Nuneaton does. It is a vastly busier station, which has two and a half times the footfall of Nuneaton. Secondly, I simply do not accept my hon. Friend's contention that the rail service that the people of Nuneaton will receive following the December 2008 timetable changeover will no longer be good. It will continue to be very good, with extra connectivity to other parts of the United Kingdom that is certainly not there at the moment. I will return to the situation in Nuneaton in more detail.

It should be noted that, despite the drafting in of 17 additional tilting 125-mph diesel Voyager trains and the delivery of 30 additional 100-mph electric trains, much of the new timetable being planned for December 2008 focuses on the optimal use of the resources. Passenger traffic on the west coast line has continued to grow since the introduction of the revised timetables in September 2004. Overall, there has been an increase of well over 50 per cent., and in some cases the growth has been 80 per cent. By 2012, revenue is expected to have trebled to £1 billion a year, compared with £330 million in 2003-04.

Additional business has been generated at many stations along the west coast route, including Nuneaton. However, Nuneaton is simply not a high-earning station or one where business is likely to grow significantly when compared to other locations on that line. Quite simply, the opportunities for growth are much greater elsewhere.

Currently, an hourly train service between Nuneaton and London is provided by Virgin Trains. Those journeys take one hour and 15 minutes. In December 2008, the London peak and business traffic, which is by far the key flow to London from Nuneaton, will be largely unaffected with a good train service being retained and accelerated to a standard journey time of 56 to 62 minutes for the 97 miles. That is a faster journey time, giving an average speed of more than 100 mph, and will be one of the fastest commuter services in Europe.

The services operated are therefore expected to provide for the vast proportion of the customers between Nuneaton and London. Those fast links will apply at approximately hourly intervals in the morning peak southbound and in the evening northbound. As return travel habits tend to be more diffuse, the fast trains to Nuneaton will continue at approximately hourly intervals throughout the evening from London.

New 100-mph Desiro electric trains will be serving Nuneaton hourly throughout the day as part of a new west coast semi-fast service—not a slow service—providing regular links from London via Nuneaton to a wide range of locations that have previously been inaccessible or severely restricted. Overall, there will be 16 southbound and 18 northbound through-trains to and from London. For example, Northampton, Rugby, Tamworth, Lichfield and Stoke-on-Trent will have new links from Nuneaton at regular hourly intervals. Those trains will operate hourly between Nuneaton and London, but there will also be fast connection opportunities to and from London, changing at Rugby, with a journey time of 73 minutes northbound and 70 minutes southbound.

During the modernisation work, Saturday and Sunday services have indeed been disrupted throughout the west coast main line not just at Nuneaton. That will be rectified with the new timetables and the provision of weekend services similar to those on the Monday to Friday timetables and will not be interrupted with prolonged engineering activity. I am sure that my hon. Friend will welcome that, as do I as a regular user of the Glasgow to Euston service.

There has been extensive consultation over the timetables. The plans were originally contained in the west coast main line progress report, published in May 2006, and more recently in a timetable consultation exercise co-ordinated by the Department for Transport. Although it is normally the task of operators to undertake any consultation exercise, the Department led with this work to present the complete picture of key services over the whole route. The information has been shared widely with numerous stakeholders, including Members of the House of Lords, Members of Parliament, passenger transport executives, regional bodies, local authorities, Passenger Focus, rail user groups and, most importantly, passengers.

The new timetables have been designed deliberately to maximise earnings and achieve the most from all available rolling stock. That is about serving stations that have the potential for passenger growth. The improvement in frequency and the range of stations, such as at Wilmslow, which will have fast trains between the north-west and London, is, among other objectives, aimed at finally reversing this trend.

Those representing the Merseyside region have expressed strong support for the accelerated and more frequent links with London. They gain an average of 25 minutes on their hourly London link as a result of the changes to stopping patterns, including the transfer of Nuneaton to the new Desiro service.

Mr. Olner: One of my claims is that the loading figures that the Minister and his Department have on Nuneaton are wrong. If he looks at the train user group's figures, he will see that there is a vast difference. I contend that Nuneaton is still a growing area and still very much part of the enlargement of the west midlands. However, if the fast hourly trains are removed, that will slow down any growth that Nuneaton might want to get. He talks about Desiro services, but those will serve Rugby and go to London.

Mr. Harris: I think that this may be one point on which my hon. Friend and I will not agree during this short debate. I hope that he will not take this the wrong way, but he obviously has it in for Rugby.

Mr. Olner: No.

Mr. Harris: I mean that as a joke, of course. However, as far as my figures are concerned—my hon. Friend may dispute them—Rugby produces two and a half times more traffic than Nuneaton. Presented with a bald fact like that, it is difficult to sustain the argument that Nuneaton should have a better service than Rugby. He and I may have to agree to disagree about the validity and robustness of the passenger numbers that we have used to inform the exercise, but I am aware of the point that he has made to me personally in the past. I would be happy to take the rail user group's figures to my officials and ask them to have another look, if he feels that that would be helpful.

The Government and Virgin Trains have no interest in deliberately ignoring a potential market for train usage. From Virgin's point of view, from a commercial perspective, doing so would be self-destructive and pointless. From the Government's point of view, we have no interest in fixing the figures so that a growing town receives fewer services. Surely my hon. Friend will accept that we all have a vested interest in ensuring that the new rail services—the best possible rail services—are engineered to address where the market is. I hope that he is not suggesting that we are deliberately ignoring Nuneaton in any way.

Mr. Olner: I thank the Minister for giving way again. I am certainly not accusing him of that.

Just to set the record straight, I am not lobbying on behalf of Nuneaton at Rugby's expense. I am certainly not doing that at all, because I have constituents who reside in the Rugby catchment area. I am saying that a town and area the size of Nuneaton deserves at least an hourly service. Perhaps I am doing the good old trade union thing of making comparisons. I have to say that the comparison between the number of trains that stop at Rugby and go to London and those that will now be stopping at Nuneaton to go to Rugby is vastly disproportionate. That is the only point that I am making.

Mr. Harris: I understand my hon. Friend's point. Perhaps there is a Catch-22 situation here. If more services are provided to an area that has not grown so far, will that be a spur to growth and increase patronage, or do we provide services in areas where growth has already been proven to happen? We are adopting the second approach. Perhaps I should clarify what I said earlier about the business generated by Rugby. In terms of revenue, from Virgin's own figures, Rugby produces two and a half times more income or revenue than Nuneaton.

The recently published Eddington study highlighted the importance of addressing inter-urban travel and the key role that rail would play. However, this is also a matter of allocating rail resources to areas where the best contribution can be achieved. It is worth reminding ourselves of the situation at Nuneaton. The London peak traffic is largely unaffected: there are different departure times, but with such a substantial change to all services along the route, that is unavoidable. However, I am not aware of any situation where such a long lead time has been provided so that passengers can plan accordingly.

In the off-peak periods, there is still a good train service. Some have dismissed it as unsuitable, but I strongly disagree. The service will be operated by quality trains with a high standard of reliability. Although it is slower than the Pendolino service, as my hon. Friend said correctly, many off-peak passengers are not so time-critical with their journeys, and a direct service to and from London, and many more destinations, will still be available. I accept that in some cases a change of train will be necessary, but such flows are small in number.

With the 690,000 passengers a year who use Nuneaton station, it is likely that there will still be an increase in the London traffic. Some 157,000 passengers used Virgin west coast services to or from London in 2006-07 and the overwhelming majority are expected to use the remaining Virgin Pendolino services, given their attractive timing for commuters and business users. About one third are expected to transfer to the new London Midland Desiro services. Weekend travel from Nuneaton to London is expected to grow substantially as the periods of prolonged engineering work terminate. Although Nuneaton would see a reduction in fast trains, it is far from isolated. A change in train service is not likely to impact adversely on the economy of the town or the catchment area of the station.

I thank my hon. Friend again for the constructive, though very resilient, way that he has lobbied on this issue. If he has achieved some concession from Virgin Trains, I shall certainly welcome that and try to confirm it in writing to him in the next few days.

11.29 am

Sitting suspended until half-past Two o'clock.

Heathrow Expansion

2.30 pm

Mr. John Randall (Uxbridge) (Con): May I say how grateful I am to Mr. Speaker for granting me this Adjournment debate? The fact that so many Members are here on a Wednesday afternoon indicates how much it is needed. The reason for wanting to debate the subject today is that we have yet to hold a proper debate on the Floor of the House. The Secretary of State decided to issue only a written statement about the consultation, although much was said and done outside the House, which I thought was very insulting to Members.

At Transport questions recently, I asked a topical question, but to be honest I was appalled by the complacency and the lack of interest with which the subject—not only is it a major decision but it affects hundreds of thousands of people—was dismissed. I am therefore incredibly grateful to have secured this debate. Although it will be one of the first parliamentary debates on the subject in coming months, it will be a useful start. Because many other Members want to speak, I shall try to keep my comments relatively short, Mr. Benton, so that others can join in if they catch your eye.

I have lived within a short distance of Heathrow all my life. By and large, those who live in the area have always been quite proud of Heathrow. It is certainly something that we have lived with. I am always a little concerned when people say, "Why do people live there? Surely they knew there was an airport there." It reminds me of the story—is it apocryphal?—of the American wondering why they built Windsor castle so close to Heathrow. Some informed comment is less than informed if it suggests that people do not have to live there if they do not like the problems.

Having an airport nearby can have a positive impact. It has economic advantages, although they are not 100 per cent. positive. If one were to ask the people of the London borough of Hillingdon whether they would still want Heathrow within its boundaries, I think we might get quite a mixed answer. It has brought many other problems to the borough. However, that is as it is.

Those who have lived in the area have seen expansion over the years, but the appetite for expansion seems to grow year by year. I was not sufficiently active in politics when some of the previous developments were proposed to have been in the forefront of campaigns for or against. The hon. Member for Hayes and Harlington (John McDonnell) has an honourable tradition in opposing much of the expansion at Heathrow, particularly the fifth terminal. With hindsight, I wish I had been alongside him earlier because I think he was right. I hope, Mr. Benton, that he will catch your eye. He may be on the other side of the fence politically, but he is certainly on the same side on this subject.

We have seen an insatiable appetite for expansion, but we have also discovered what happens when we are promised it is to be the last piece of expansion. It never is. Having Heathrow on our back doorstep is almost like having a bully there. No sooner is a fifth terminal agreed than we are told that that is it—that that is all

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that is needed. There is no question of there being any more—no more runways, no more terminals, that is it. But almost as the ink was drying—perhaps, cynically, I might say before the ink was drying—plans for future expansion were well ahead.

We were told that a third runway was needed. We had been consulted and were told that a third short runway would be necessary; but there was no mention of a sixth terminal. Now there is a third runway, with a sixth terminal. I would be very surprised if the new runway was short—I cannot quite see the point in that; if we are going that far, we might as well go the whole hog. If we are now being been told that that it is all that is needed, then other plans are already afoot for more.

We have been told—I am sure that this applies to Members on all sides of the House, because the subject crosses the party divide—that if there is no further expansion at Heathrow, somehow the airport will die. There will be no third runway; there will be tumbleweed blowing down the Great West road; somehow, we will be living in an industrial desert. The fact is that very few businesses say that they would leave if Heathrow was not expanded. I have a certain amount of experience and knowledge as a local businessman, and I do not think it would make that much difference. I do not think that Heathrow will die.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): The hon. Gentleman speaks about the sixth terminal and the third runway, but he should equate it to what happened in the east end of London with the docks. We were told that expansion did not matter there. Why then did we have complete closure of the docks in the east end of London? As someone who travels regularly through Heathrow, I can say that it is more and more the case that I prefer to use Schiphol, Charles de Gaulle or Frankfurt airports. I believe that it should be taken into the equation. If the hon. Gentleman does not wake up to the need for expansion, in the global sense, Heathrow will indeed end up as a desert.

Mr. Randall: The hon. Gentleman gives me a great deal of ammunition. The example of the docks is interesting. One problem with dockland areas—the Minister represents a former docklands area—is the same as what is happening at Heathrow. The danger is that it will become a one-horse town, a one-industry town. If aviation has problems, as it did with the Gulf war and 9/11, when a delegation of MPs saw Tony Blair, the Prime Minister, to express their worries about the downturn in aviation, local industries could be in serious peril—everything is connected. The hon. Gentleman makes a good point. It is one reason for diversifying. We should not be so reliant on one section of industry.

As for using Schiphol or other airports, I would say—it is the view of many—that BAA ought to get Heathrow running more efficiently, making it a nice airport to use. People would then want to go there. But that is not their experience at the moment. In fact, Heathrow is regarded by many travellers as being a very unpleasant experience. We will have to see whether everyone can get their act together with the fifth terminal. By the way, the fifth terminal was given permission by the inspector on the express condition that there was no further expansion. You can see, Mr. Benton, why we are all so angry in my part of the world. As for the hon. Gentleman using Schiphol, he will find it rather difficult getting to the Houses of Parliament from Amsterdam. It might be more appropriate for him to use the train—a subject that someone else can take up.

I have not seen any hard evidence—the Government have not provided any—to back up the mantra that business will disappear if there is no expansion. The aviation industry seems to have a hold on the Government—Governments of all party persuasions, as far as I can see. If they say they need it, the Government of the day have to fall in with it. It is about time that we challenged that. If there is positive evidence—proper hard evidence—I will look at it.

The reason why I got angry and had a rare outburst in the Chamber—I am normally a quiet sort of person, sitting there loving all my fellow MPs and thinking that they are jolly and nice, but I was very upset—is that the expansion is not a project that will not affect people. It is not just a piece of land, whether brownfield, greenbelt or any other kind. By the Government's own figures, which I think are underestimated, 700 homes will be destroyed, representing whole communities, in the constituency of the hon. Member for Hayes and Harlington. I do not want to steal his thunder, but I must say as a local person that there are villages and homes there in which people have lived for centuries, yet because we must have a wonderful new runway and another terminal, somehow we must say that it does not matter and move them out. It is like Ceausescu's Romania, Stalin's Russia or the highland clearances. We could put sheep there. That would be a good idea.

That is what it is about—putting business before people's lives—and quite frankly, we are a bit sick and tired of it locally. The Government also refuse to tell us where those people will go. The simple answer is that in an already overcrowded area where housing is a problem, the idea of suddenly rehousing all those people—never mind those who will be working there building the expansion—is absolutely potty. Why do the Government think that they can just remove people, flatten their homes and send them somewhere else in the country—to the virgin lands near Tselinograd, perhaps? What is the matter with them? It is appalling.

We hear a lot about climate change. Today in Bali, world leaders are speaking—wonderful sentiments about how we must reduce our carbon emissions. The Government say that they will be at the forefront, that they are introducing a Climate Change Bill to set real targets and, by the way, that they will be actively encouraging the growth in air travel and ensuring that it is not curbed. I am not suggesting stopping air travel, just curbing its growth.

Mr. Peter Atkinson (Hexham) (Con): On the question of curbing the growth in air travel, I commend to my hon. Friend the extension of the high-speed rail network to Heathrow airport. I come from the north country, and many people who come from the north country are forced to transit through Heathrow because rail service terminates in central London. It is inadequate. If the high-speed rail service went via Heathrow, it would save many internal flights.

Mr. Randall: My hon. Friend is absolutely right. There are lots of internal flights. For some short-haul flights within Europe, I would much rather go by Eurostar than through Heathrow, even though Heathrow is only 15 minutes from my home. It is much simpler to go city-to-city. How can the Government expect me to tell my constituents that they must change their light bulbs and put in a bit of insulation or they will somehow cause the death of numerous polar bears and penguins? This is a serious point, because it is about leadership. If the Government are serious about curbing emissions and being leaders in trying to stop man-made climate change, they must show leadership and say, "Enough is enough. We must look at alternatives to this mad scheme."

Several hon. Members *rose*—

Mr. Joe Benton (in the Chair): Order. Before I call the next speaker, quite a number of people wish to speak in this debate. Obviously, I shall do my very best to get everybody in, but I propose to start winding-up speeches at 3.30. I ask hon. Members to bear that in mind.

2.44 pm

John McDonnell (Hayes and Harlington) (Lab): I thank my neighbour the hon. Member for Uxbridge (Mr. Randall) for securing this debate, as well as the other Members who also applied for it. It is the luck of a petty bourgeois shopkeeper to be called, but there we are. This is a scene-setting debate. We shall apply regularly for debates on different aspects of the matter, so I warn the Minister not to plan any lengthy holidays next year, and certainly not to plan any via Heathrow.

The issue is fundamental to many of us. The Minister is held in affection in all parts of the House—I remember him as a youthful member of the Socialist Workers party—but the issue comes with a blight warning. He could be the Minister who not only wipes out a third of my constituency but contributes, by his decision on this matter, to the impact on climate change in a way that no other Government decision could.

On Second Reading of the Planning Bill on Monday, I explained my background and involvement in relation to the development of Heathrow. I was at the terminal 4 inquiry, gave evidence to the terminal 5 inquiry and have been involved in virtually every planning issue involving Heathrow for the past 30 years, because I live near there. In 1983, when I was a Greater London councillor for the area, I held the first meeting to protest the proposals for a third runway. At that meeting, local historian Philip Sherwood showed a slide of a planning map from the 1940s for Heathrow airport. On that map was a third runway in almost exactly the position now intended. That confirmed in my constituents' minds and in my own that over the years, an incremental plan has been systematically rolled out for Heathrow airport that is swamping the Heathrow villages, and the Government have schemed with BAA and other bodies in the aviation industry to enable it to happen.

The third runway and terminal 6 are the latest development in that incremental roll-out, but to return to what the hon. Member for Uxbridge said, I was at the terminal 5 inquiry when BAA's barrister got up and promised the inspector, "If we get the fifth terminal, there will be no third runway and no further terminal expansion at Heathrow." BAA wrote to me, stood on platforms with me and wrote to my constituents. The inspector, Mr. Vandermeer, then made his decision—terminal 5, but no further. He did so on several grounds, including an assessment of the environmental impact of any further expansion in terms of both air pollution and noise.

Debates at the inquiry also involved reference to the social impacts—the devastation of our local communities. In the 1990s, the Government undertook a study on runways in the south-east that identified that the expansion of Heathrow airport by a third runway could impact 10,000 people and up to 3,500 homes. Now that further development has taken place, 4,000 homes could be affected either by demolition or by being rendered unliveable. Since then, a further argument has arisen in the form of climate change. Science has moved on and we know more about the impact of emissions, particularly aviation emissions, on climate change. The report of the intergovernmental panel on climate change, published two weeks ago, warned us that we have six to eight years to reduce emissions or face climate chaos.

What has changed since the terminal 5 inquiry? We are told that a sixth terminal and a third runway have the potential, with mixed-mode use and runway alternation, to expand the cap on air traffic movements from 480,000 a year to 720,000, and then upwards to 800,000. At the same time, we are told despite the warnings of the terminal 5 inspector about the potential for increased pollution and noise that the expansion will result in no increase in noise or air pollution. It is laughable, is it not?

Project Heathrow, the process set up by the Government for examining the scientific consequences of what would happen as a result of a third runway and a sixth terminal—basically, an impact study—was elicited only by our campaign to get some truth and, to be frank, was rigged. There was no access to all the information or all the partners available. In fact, environmental and local community groups were excluded from that process. On the science, we agreed the assessment techniques, but had no access to the modelling upon which the results would be churned out. We then discovered that BAA supplied most of the information and doctored it as part of the overall inquiry.

I pay tribute to hon. Members who had to use the Freedom of Information Act 2000 to get information out of that supposedly independent assessment process. It was a public relations exercise more than an independent study. I expected some form of independent commission with experts, including international experts, acting as observers to ensure veracity in the process. It was no such thing. No social impact assessment was undertaken by the study. All we have in the consultation document is a reference to the number of homes that will be affected, which has gone up from a few hundred to 700 homes. In reality, we know from the South East and East of England Regional Air Service study that 3,000 to 4,000 could be affected.

Justine Greening (Putney) (Con): Does the hon. Gentleman agree that the other concern about the work done before the consultation is that no formal

[Justine Greening]

assessment was made of the public health impact of any of the proposals? I would have expected that to be one of the first issues to be addressed.

John McDonnell: Interestingly enough, the hon. Members for Uxbridge and for Ruislip-Northwood (Mr. Hurd), and I, met with our primary care trust last Friday to ask it to undertake such work. They had not even been invited to submit evidence on that basis, which I find fascinating, because that was one of the key issues addressed by terminal 5 when we presented surveys of the respiratory conditions of my constituents that resulted from the impact of the airport. We also presented the Chicago research on the cancer impact on those living and working at airports in America. There has been no contingency planning or social impact assessment.

I want to put on the record what the proposals would mean to my community. I believe that they would result in the forced clearance of 10,000 people and whole families. Furthermore, three primary schools will be either demolished or rendered unusable: Harmondsworth, Heathrow and William Byrd. There will also be an impact on the secondary schools in the surrounding area owing to the massive extension of the road network. Whole communities will be wiped out. And what about community centres? I have looked at the flight paths in relation to our two churches—St. Mary's in Harmondsworth and the Church of St. Peter and St. Paul in Harlington. When the planes take off from the expanded runway—we were told that it would be a short take-off—they will virtually scrape the roofs. We know what will happen—those churches will be rendered unusable. I predict that we will return to the scenario three years ago when we had to dig up our dead. And there are war graves in those churches' grounds.

We know from a freedom of information inquiry made by the hon. Member for Putney (Justine Greening) that the supposedly most-credible road system—this does not apply to all the options for road systems—will literally run through the gardens and within yards and feet of people's homes.

Mr. Donohoe: How many people in my hon. Friend's constituency rely on Heathrow for their livelihoods?

John McDonnell: Interesting. We have looked at those figures and we think that it is no more than about 15 per cent. of the population. However, interestingly, we have been talking to airport workers, and those who live and work in the area oppose this scheme.

My hon. Friend the Member for Feltham and Heston (Alan Keen), with whom I have worked over the years, is a good example of this change of heart. A number of us accepted terminal 4; others, including airport workers, accepted terminal 5, but enough is enough—that is the expression now coming from many airport workers.

Alan Keen (Feltham and Heston) (Lab/Co-op): My hon. Friend knows very well that I was one of the strongest supporters of Heathrow airport and the air transport industry. I supported expansion within the current boundaries, including for terminal 5. Like him, I have decided that enough is enough. Take that as a strong indication that the time has come to draw a line under the expansion of Heathrow airport.

John McDonnell: I am grateful to my hon. Friend for his support, which has been principled and honest throughout the debates on different levels of expansion.

Let us consider the economic argument. We will return for a further debate specifically on the economic argument, which is incredibly one-sided. In my community, the airport has created jobs, but it has forced some out as well. Land prices have gone up and I have lost skilled manufacturing work. Skilled and trained people have lost their jobs and are now working at Heathrow on unskilled jobs and not necessarily with the same recompense. As the hon. Member for Uxbridge said, my community has become increasingly dependent on the airport, so when the aviation industry catches a cold, there are lay-offs and redundancies and we become almost like a mining town in some areas. I have been at each inquiry at which BAA has promised my constituents that if it gets the new terminal and the development, more jobs will follow. However, I have seen job cuts and losses time and time again, largely as a result of the way in which processes have been changed and of mechanisation. It does not necessarily follow that further expansion and the depletion of our local environment will bring increased employment opportunities.

This process has angered me, my constituents and anyone involved with it all the way through. The consultation was derisory. The consultation document has not been distributed as widely as we were promised. It is difficult to obtain the full documentation. In fact, at one point, when people were phoning up and trying to get hold of it, we were told that copies had run out. There will be no exhibition on the expansion and terminal 6 in Sipson village—the very village that will be obliterated off the face of the earth. I received a note on this matter today. Here are some more examples: the Cranford village exhibition venue is not in Cranford, but close to Cranford cross on the Bath road; the Colnbrook venue is not in Colnbrook, but in Harmondsworth beside the detention centre, which is inaccessible; the west Drayton venue is unsuitable with inadequate parking, and there is no planned consultation or exhibition in Hayes itself, which is in the centre of my constituency, and therefore affected. I believe that the consultation is just a front and public relations propaganda exercise.

There have been no opportunities for Ministers to visit the area and respond to questions from local constituents. There has been no resourcing of community organisations or environmental groups so that they can participate in the consultation. I think that this makes a mockery of demo-cratic government. It might well be that the decision will be taken under the new planning legislation. We have been told that the Government want to convert the aviation White Paper into a planning policy statement. That is unacceptable, because it will not follow a full consultation process, which we are promised planning policy statements do. If the infrastructure planning commission is established it will mean unaccountable bureaucratic decision makers for this major project.

The process has been prejudiced already: statements made by the Prime Minister when he was Chancellor, documents on last year's Budget, his speech to the City of London, and speeches made by the Secretary of State for Transport on this matter and to the media generally have all announced that the Government plan to drive this process through. That has prejudiced any public inquiry.

In conclusion, the assessment process has been doctored, the consultation process has been fixed and the planning and decision-making processes have been rigged. People will not put up with that. It is a wholesale sell-out of the demo-cratic process. In the summer, the climate camp came to my constituency. Some 200,000 people turned up, constructed a village and brought the issue to the head of media attention. If people do not have confidence in the decision-making process, the climate camp will be back and there will be further demonstrations, and protests, because they believe that the demo-cratic process has failed them. And I will join them.

2.58 pm

Mr. David Wilshire (Spelthorne) (Con): I, too, welcome the debate, and believe that an oral statement should have been made, because this is a controversial issue. I suspect that I am about to make myself unpopular, but there we go.

Like my neighbour, the hon. Member for Hayes and Harlington (John McDonnell), I agree that this is a fundamental issue, not only for his constituents, but for mine and many others. I represent people right at the western end of the southern runway and along the southern boundary fence. Until a recent boundary change, I represented what is now terminal 5—then the sewage works—the cargo terminal and, believe it or not, half of terminal 4. Heathrow is fundamental to the 70,000 people whom I represent.

Again, I welcome the fact that there will be further debate, because so much needs to be said on a range of issues. That cannot be done in 10 minutes on an afternoon such as this. So today, I wish simply to do what I have always attempted: to dispel what I see as a number of myths. The first is the myth that everybody near Heathrow is against another runway.

John McDonnell: Would the hon. Gentleman therefore like the runway to be south of the proposed location? If he wanted to undertake the consultation, I would be happy to see the plans reconfigured so that the runway and the sixth terminal were built to the south—obliterating part of his constituency.

Mr. Wilshire: I have said on a number of occasions that I hope that I would have had the courage to say the same thing—even if the plans had been to the south. I do not know whether that helps the hon. Gentleman.

John McDonnell: So the hon. Gentleman is willing to accept that the third runway should be reconfigured on the south of Heathrow.

Mr. Wilshire: I can only repeat that I hope that my views remain the same wherever the runway goes, and even if it were in my constituency.

Mr. Julian Brazier (Canterbury) (Con): That is an option.

Mr. Wilshire: It is an option. I hope that I would keep to the same views, for the simple reason that the majority of my constituents support another runway at Heathrow. I have asked them about the location, and the only condition of support that the majority of my constituents would like is to sort out the environmental issues. I do not disagree with anyone that, if we cannot sort out the environmental issues, we cannot build a runway. However, my research on the basis of mail bags, surgeries and more than 100,000 questionnaires, including independent research, indicates that more than 50 per cent. of my constituents would support another runway, provided that that condition was met.

The second myth that I want to dispel is that anybody who dares to speak up in favour of further expansion at Heathrow must, by definition, be in the pay of the airlines or of big business. I resent that. The only people whose pay I find myself in are the 70,000 who send me here and pay my mortgage for me, for which I am eternally grateful. I resent the argument that it is impossible in all conscience genuinely to believe that expansion at Heathrow is in the interests of the people we represent. That is a myth. My constituents believe that it is in their interests for Heathrow to survive and flourish.

The third myth is that one either opposes or supports everything about Heathrow. I want to ensure that people do not leave the debate with the view that there is nothing on which we all agree. I have already said that we have to sort out the environmental issues. I have not read all the documents, so I cannot comment one way or the other on whether the Government have achieved what they said they would, and I reserve judgment for another debate.

Let me make it clear that any attempt to scrap alternation of runways is something that I too oppose and will fight. I suspect that the Government will impose their view, but my response will be that a third runway should jolly well ensure the ability to reinstate alternation. In any event, I do not want to see an end to alternation. Likewise, there is nothing between me and other hon. Members on wanting an end to night flights. However, I have often said that if we adopted double summer time, we would probably solve most of that problem.

There is a list of myths, but I do not have time to go through them all, so I shall mention one or two others to give some indication of what worries me about the national and regional debate. I exempt those of my colleagues who are present from my comments, because all of us have gone through all the facts and understand the position absolutely. There are others elsewhere, however, who keep repeating a load of nonsense, and I shall give a couple of examples of that.

It has been said in newspapers that should know better that transfer passengers do not matter for the future of Heathrow. That is total nonsense; transfer passengers make up approximately a third of passengers who use the airport. Quite a few routes are made viable by such passengers. Transfer passengers are also the reason why some airlines have a presence at Heathrow. It is nonsense, therefore, to argue that people who come in on one plane and go out on another do not matter to my constituents. Transfer traffic provides the justification for routes and for

[Mr. Wilshire]

airline presence. If airline presence and routes are lost, jobs are lost. I do not want my 70,000 to lose jobs, thank you very much.

There is another example that it is appropriate to mention on an occasion such as this. There was a hint in relation to high-speed rail that journeys carried out via short flights may, somehow or other, be undertaken by train instead. I accept that that should be possible, but it is not. There is a simple answer to the argument that all sorts of flights from Manchester to Heathrow are unnecessary, if only people would get their minds around it. More than half the passengers on such flights are transfer passengers who are going somewhere else. If we told them that they had to get on a train in Manchester, go to Euston, and then fight their way through the traffic on the M25 or on the A4, or go across London, they would not. They would simply go from Manchester to Schiphol or Frankfurt. They would fly just as much, and we would lose jobs at Heathrow.

Mr. Atkinson: The point that I made earlier was that those of us who travel from the north and transfer between flights would be happy to travel instead on a high-speed train—it would be much more convenient for many of us—provided that the high-speed train route included a stop at Heathrow, as is the case at Charles de Gaulle airport. We do not use the train because, as my hon. Friend says, the trains terminate at Euston and King's Cross.

Mr. Wilshire: That is the point that I was trying to make. I agree with my hon. Friend that it should indeed be possible to make such journeys. It is not, however. Until it is, people will not travel to Heathrow by train no matter how much they are told to do so. They will fly somewhere else, business will be lost from Heathrow and my constituents will lose jobs.

Mr. John Grogan (Selby) (Lab): Is not the hon. Gentleman excited by the Arup proposals unveiled in the House just a couple of weeks ago? They would achieve the very objective that he mentions and link London St. Pancras to a new station at Heathrow via Paddington, with an extension parallel to the Chiltern line to Birmingham, and on to the north-west and Scotland. Would not that alternative be well worth consideration?

Mr. Wilshire: If we reach the stage where that has happened, we can re-open this discussion. For the moment, however, we cannot even get AirTrack built, which should have been built long ago. Until such projects have happened, it will be necessary to make use of short flights.

I have a final example, which concerns the argument on the future of Heathrow if the runway is not built. I happen to agree with my hon. Friend the Member for Uxbridge (Mr. Randall) in that I do not imagine that Heathrow would close tomorrow or even in the medium term if the project did not happen, but it would decline. My hon. Friend made the point that we used to be proud of Heathrow. I hate to say this, although I have said it to the faces of BAA plc managers, so my comments in this debate will not surprise them: even if Heathrow does not decline, I have gone from being proud of the airport on my doorstep to being somewhat ashamed of the situation that exists there.

There is a list of reasons why things have changed for the worse. If we try to put 68 million people in terminals designed for 45 million, we must not be surprised if we end up with chaos. That was good enough reason for me, with my constituents' support, to say that T5 would be an answer. Of course, Heathrow cannot carry on as it is and continue to flourish, because it is going backwards already. We know that, because we use it and we see what happens there. If Heathrow goes backwards, my constituents suffer. The status quo simply will not do. We must solve the problems, and doing so in the best interests of my constituents means, in my judgment, building another runway, provided that the environmental issues can be overcome.

I make no apology for upsetting those of my colleagues who are present, nor do I make any apologies for wanting Heathrow to flourish, as 26 per cent. of the economically active people that I represent—a quarter of them—depend directly on Heathrow for their living, which means that the airport affects their families and children. If we were to calculate the figure for those others who depend indirectly on the airport, it would be even greater. As with coal mining towns, we can argue that such dependence is undesirable, which might be true, but the reality is the way it is: we are locked into dependency on a business that needs to flourish in the best interests of my constituents.

Not only the people who depend on the airport are important. There is growing evidence that house values in my constituency are higher, not lower, as a result of proximity to the airport. Therefore, anybody in my constituency, whether they depend on the airport for their wages or not, depends on it to support their mortgage and avoid the negative equity that would result from a decline.

I make no apology for saying that if the Government can persuade us that the environmental issues can be dealt with—that is a big proviso—I and my 70,000 constituents, who live right against the boundary fence, will want to see Heathrow flourish. Flourishing means expansion with another runway.

3.10 pm

Adam Afriyie (Windsor) (Con): I want to make a few observations and then urge the Minister and the Government to consider things slightly differently.

First, the position is generally fairly clear. If aircraft were silent and non-polluting and the issue of surface-level access had been completely sorted out, few people would object to the further expansion of Heathrow or of air travel generally, but none of those things is the case. In the real world, there are problems with pollution around Heathrow, and there will be further problems if we increase the number of passenger movements from 480,000 to 720,000, as proposed.

Nor can anyone deny that there are problems with traffic around the airport; one simply has to sit on the M25 near the junction for Heathrow or to move around my constituency on a busy day at the airport to see that the roads are congested.

Similarly, I live under the flight path in Windsor and I know that noisy aircraft wake people up and wreck a good night's sleep. Indeed, if alternation disappears—from the consultation document, that seems to be the way the Government are heading—nobody will get any respite during the day.

Mr. Boris Johnson (Henley) (Con): Does my hon. Friend agree that noise is the key issue for millions of people in London and the south-east? Does he also agree that it is sad and surprising that the Government have ignored the findings of the report "Attitudes to Noise from Aviation Sources in England", which they approved and which showed that 57 dB is no longer appropriate for judging serious noise pollution?

Adam Afriyie: My hon. Friend makes an extremely pertinent point. The ANASE study clearly showed that people are now more annoyed with aircraft noise at every level of decibel measurement. I have grave concerns about the Government's treatment of the report, which indicated that the 57 dB line should be lowered somewhat, but I am sure that we will address that issue in one of our future debates.

I have several observations to make. First, night flights are the great enemy of the people. If there were no night flights, the quality of life of many people around Heathrow and many other airports would improve no end.

Secondly, there will be some changes to flight paths if the third runway goes ahead. My hon. Friend the Member for Spelthorne (Mr. Wilshire) said that property prices near the airport are, bizarrely, going up, but it is clear from all the evidence that prices would go down if a new flight path were created over properties that were not under an existing flight path.

Another point that is constantly raised in favour of the expansion of Heathrow is the economics of the airport, so let us be clear about the issue. About a third of the traffic through Heathrow is business traffic, a third is people visiting friends and family abroad, and a third is leisure travel and holidays abroad. It is equally clear, although this was left out of the Oxford Economic Forecasting report, that British tourists travelling abroad spend more than £15 billion a year, which is more than those coming into Heathrow spend in Britain. Therefore, if we look at the economics—even in terms of the Chancellor's take at the Exchequer—the arguments are against further expansion, if that means the further expansion of tourist and leisure flights from Heathrow.

It is also clear—perhaps the Minister could address the point specifically—that the inspector at the inquiry placed a condition on the previous expansion and granted permission on the condition that there would be no further expansion at Heathrow.

Is there not a case for an independent body to monitor the pollution and environmental impact of Heathrow, along with surface access to the airport and the noise that comes from it? Most of those matters are monitored by various different bodies, but would it not be a good idea to consider establishing a body with a duty to publish and disperse such information? Currently, the information is fragmented, and as hon. Members will know, it is incredibly difficult to discover the details of what has been going on at Heathrow, particularly with regard to noise at particular times of day.

It is clear from the Chancellor's remarks and the tone of debate in the House thus far that the Government have already made a decision somewhere along the way. Consultations are a good thing, but they can sometimes set up a false expectation. If people think that spending one or two hours of their day filling in the consultation forms will have an impact on the Government's decision, I feel very frustrated for them. What we have is a consultation on the technical aspects of the decision, not on whether to go ahead, because the Government seem already to have decided to do so.

My final question is, where is the vision? We are in the 21st century, but where is the vision for Heathrow and air travel? We have two different models of air travel. In the US, people have discovered that the hub-and-spoke model, which is being argued for here, is outdated. Most people's preferred choice is to get on a flight and fly directly, point to point, to their destination.

New models of aircraft can also be a lot quieter. Arguably, the A380 is a third quieter than existing 747s. That is helpful. Why not insist that new standards are brought in sooner rather than later? That would help to deal with the noise issue.

Mr. Wilshire: The difficulty with that argument is that almost no runway in the world can cope with the A380, so flying point to point with the A380 would not be possible.

Adam Afriyie: I can understand why my hon. Friend makes that point, but I should note that the A380 can operate on just over 50 per cent. of the runways in the United Kingdom, as well as on runways worldwide, although I cannot remember the exact percentage. It is only a matter of time before more A380 landings are accepted and we can use the existing number of flights to transport 70 or 80 per cent. more passengers more quietly. The A380 and other aircraft developments in the field are therefore to be welcomed and encouraged.

Again, my question to the Government is, where is the vision? There is so much new technology out there, and many more aircraft will be coming off the production lines in the next few years, so why not introduce new standards sooner rather than later, particularly at Heathrow? Commercial airlines could then decide which aircraft they wanted to use on a commercial basis in and out of Heathrow.

Finally—I just float this as an idea for consideration—the French have been able to move their main airport twice in a 20-year time frame. They seemed to manage that and to sort out the traffic issues around the airport. It was a fairly bold move, but it seems to have paid off. Has the Minister considered showing more vision and perhaps having an airport offshore or on the coast, with a high-speed rail link? Nobody would complain about aircraft noise or lose a night's sleep, Britain would prosper economically and even tourist flights would be more welcome than they are today.

3.18 pm

Justine Greening (Putney) (Con): I am pleased to contribute to the debate. Many hon. Members will have heard me speak at length outside the Chamber about my concerns regarding the impact of the expansion of Heathrow on my constituency, but it is useful to be able to put some of those concerns on record.

Underpinning all the comments that we have heard today are a few key issues, of which the most important for me is trust, or rather people's lack of trust, in the consultation document on which they can currently give their views. There is lack of trust because, although people expected BAA to provide data for the modelling process, they never expected Heathrow's operator, which stood to gain so much financially from a yes decision, to do so much modelling of the environmental results. Conveniently, those results now say that it is okay to go ahead and expand Heathrow and that there will be less noise and pollution, even though the airport will be nearly twice the size.

Bias, therefore, is our other key concern. Some of us had hoped to have, perhaps for the first time, a balanced debate about how to strike a balance between the difficult issues of a growing city's needs for airport capacity and the needs of its residents, including my constituents, who drive London's economy day to day. We needed a reasoned debate, which would feature unbiased facts. The biggest tragedy and disappointment from my perspective is the loss of that opportunity.

The hon. Member for Hayes and Harlington (John McDonnell) mentioned my requests for information, and in spite of six months of effort, I have still not managed to obtain any detailed modelling of the environmental impact of an expanded Heathrow. I have now asked for an internal review of the decision not to give me any data. Even that request has not had an answer. That is a month late, having been due on 6 November. It is now 12 December, and still there is no yes or no. That is the critical answer that I need, because without it I have no potential to complain—should I receive a no—to Richard Thomas, the Information Commissioner.

The matter is important for my constituents, and it is of great concern to me that public health has not yet been considered. The impact that the development could have on family life in Putney is of great concern to me. In the recent study, "Attitudes to Noise from Aviation Sources in England", which examined how aircraft noise affects people across England, many of the people who identified themselves as most frustrated and annoyed by aircraft noise were, ironically, professional people—the very ones who are about to get on to crammed tubes every day, struggle in to the City and do those deals that keep the wheels of our economy turning. It is therefore particularly worrying that the Government and the Minister are so cavalier about the risks.

I want to keep my comments short, but I have a few final key questions for the Minister. What independent review has been undertaken of the environmental work, and is the Minister willing to say which bodies did it and to put their comments in the public domain? What independent review was undertaken of the public consultation exhibition boards that are being shown to people? That is not happening in my constituency—according to the Government, my patch apparently does not have a problem with aircraft noise, so it does not need a consultation.

Who reviewed the boards? One of the bullet points on them says, for example, that nine out of 10 companies in the area close to Heathrow say that it is very important or vital, but it fails to point out that that figure refers to nine out of 10 companies that responded to the questionnaire, which was sent out as part of the Oxford Economic Forecasting report.

I understand that just 5 per cent. of companies that were asked for a view bothered to respond. So, one in 20, rather than nine out of 10, thinks that Heathrow is critical or very important. What process was used for the questionnaire that people were asked to fill in? Many of us are concerned that it is very technical. I appreciate that this is a technical area, but what review process was there for the document, so as to provide a reasonable check of its intelligibility?

I make a final plea to the Minister for some assurances. Many different groups and individuals, including my hon. Friend the Member for Spelthorne (Mr. Wilshire), London First and all the MPs present for the debate, say that environmental issues are important. Will the Minister at least give an assurance that if—when I eventually get the facts about what has been modelled—it turns out that the expansion of Heathrow will be as catastrophic for the local environment as some of us suspect, he will go back to the drawing board and take on board the grave concerns that we all have for the environment and London's economy?

The Government will not be able to persist in sticking their head in the sand. We need a reasoned, balanced approach that confronts environmental issues, rather than pretending they do not exist. Whether by this Government or another, the issues will have to be confronted eventually. The cost to the population of London of getting the decision wrong will be very dear. The Minister should be careful before pressing on in such a cavalier way.

3.25 pm

Mr. Nick Hurd (Ruislip-Northwood) (Con): I congratulate my hon. Friend the Member for Uxbridge (Mr. Randall) on securing the debate. The brief time that I have available will allow me to register three messages with the Minister.

First, Hillingdon speaks with one voice on this issue through its elected representatives in Parliament and in the council. The community that I represent is not losing houses, schools or churches, but it feels tremendous solidarity with the outrage at the putting of business before people, as my hon. Friend put it. My constituents are worried about the impact of new take-off flight paths over Harrow and Northolt. They are worried about what the expansion means for the future of RAF Northolt, because there have been mixed messages about that in the past, and they are worried about what it means in terms of the costs that they will have to pay.

In the interest of joined-up government, the Department for Transport should be aware that the expansion of Heathrow presents the people of Hillingdon with a real issue, because a bigger airport means more unaccompanied minors seeking asylum. That is not an issue that affects every constituency in the country, but the numbers are big and the economic reality is that Hillingdon supports those unfortunate people and pays for them. The numbers run into hundreds, and the costs into millions of pounds. Hillingdon takes enormous pride in the service and support that it offers, but is deeply disappointed by the Government's reaction to its need for funding support. The reality, of which the Minister should be aware, is that this year Hillingdon council tax will rise 3 per cent. to fund those costs, which the Government do not meet. That problem touches people in their pockets and we in the community are concerned that it will begin to affect what have been, up to now, very good community relations. I give that example to show the many facets and angles of the debate that the Government need to think carefully about.

Secondly, the process may drive another nail into the coffin of public trust in the political process and the Government. Other hon. Members have made that point adequately, but it is a simple one: promises have been broken, so why should anyone believe what the Government say on the issue in future?

Thirdly, I want to reinforce the point that the process is in danger of driving a coach and horses through the Government's climate change policy. Are we serious about that or not? If we are, why do we continue to adopt a predict-and-provide approach for the fastest-growing source of emissions? We should remind ourselves that aviation is the fastest-growing source of emissions in this country: it has grown 90 per cent. between 1990 and 2004 and is expected to double by 2050. On some models it will represent 100 per cent. of Britain's carbon budget by 2050 if it is left unchecked, yet we continue to give a green light to further expansion, as my hon. Friend the Member for Uxbridge pointed out.

What on earth are we to say to our constituents when they say, "Hang on, the Government are telling us that climate change is the most important challenge we face, but they are expanding Heathrow"? The Minister may talk about emissions trading in his reply, but I sat on the Environmental Audit Committee for two years and we examined emissions trading exhaustively. It is a cap and trade scheme, and cap and trade schemes are only as good as the cap. The history of the emissions trading scheme should not, if it is the only tool in the box for controlling aircraft emissions, give the Government any of the comfort that we desperately need in the face of the threat.

My final point is that the Government argue that the expansion is in the interest of national competitiveness and the national economy, but I seriously doubt whether that proposition has been tested adequately. The growth in aviation is due not to business, but to cheap leisure. With the growth of sophisticated video conferencing technology, I do not expect that trend to change. What proportion of the new passengers will be interchange passengers, who contribute nothing to the national economy? What consideration has been given to the tourism deficit—the difference between what British tourists spend overseas and what overseas tourists spend here—which is calculated to be about £15 billion annually? How has the London economy suffered during the time when Heathrow has not grown as fast as other international airports? I have not noticed such suffering.

Have the Government really caught the genuine voice of business? The last British Chambers of Commerce survey that I saw said that 70 per cent. were not in favour of Heathrow expansion. The last Institute of Directors survey showed that only 1 per cent. of directors considered the expansion of Heathrow to be a priority. The voice that I hear says that people want a better airport, not a bigger airport.

We have an opportunity to stop the rot. The Government have an absolutely golden opportunity to take a lead and stop the nonsensical game of, "My airport is bigger than your airport," as if it were a significant symbol of a nation's status. The Prime Minister has billed the issue as an example of his ability to take a tough decision: the truth is that the only brave and visionary decision would be to say no.

3.30 pm

Susan Kramer (Richmond Park) (LD): I speak not only on behalf of my party as its transport spokesperson, but as the Member for Richmond Park, a constituency that is very definitely under the flight path. If I have a conflict of interest, it is that I live under the flight path and within the 57 dB benchmark area.

My party is unequivocally and without question opposed to the third runway, to the sixth terminal and to the end of runway alternation and its substitution for mixed mode. We oppose each proposal that was offered in the Heathrow consultation, which would create a Gatwick next to Heathrow. It would not be expansion; it would essentially be the creation of a second airport on the Heathrow site. I hope today that I hear from the Conservative Front-Bench spokesman equally unequivocal opposition to the expansion plans.

This must be one of the most ironic debates ever. Government representatives are in Bali, supposedly at the heart of negotiations on how we as a global economy can combat climate change and on the changes that we must make to every aspect of life; but here we are, at a debate in which the Government are proposing probably the most significant carbon emission-increasing measures that will pass in front of any Department in the next decade. I shall use my time in several ways. This is not a moment to reiterate the general debate about carbon emissions, but with air transport already producing about 5.6 per cent. of emissions, and well on its way to producing 25 per cent. of UK emissions by about 2030 if nothing is done, it strikes me as completely ludicrous to think that that strategy could possibly be in keeping with the thrust and urgency of tackling climate change.

The proposal is the last throe of an old era—a project that has been in the stocks for a long time and that represents an old way of thinking. When I hear the business case, I am very much reminded of all those discussions with business back in the 1960s, '70s and '80s, when every city needed more and more motorways carved through its centre and every road needed to be expanded, because if one did not constantly predict and provide and stimulate and meet demand, one's economy would simply turn in on itself.

[Susan Kramer]

and begin to disintegrate. That thinking has ended—thank goodness. When we talk about the motor car, we recognise its foolishness, but the same thinking still seems to capture the Government when they deal with aviation.

If the Government really were to spend some time with the business community, they would find that opinions have shifted dramatically. People who did not question the conventional wisdom one or two years ago question it today. If the Government were to talk to small and medium-sized businesses, particularly, in this city, they would find general disinterest in what happens at Heathrow. The businesses would like a decent service at Heathrow, but there is no sense that we are short of the capacity to move people across the globe or across continental Europe, or that additional flights are desperately required at Heathrow.

The hon. Member for Putney (Justine Greening) and others made the point that the strength of the London economy has depended on its ability to attract headquarters, particularly in major industries such as banking and finance. The Minister knows that those companies move to London only because the families of senior executives are willing to live here, which is one reason why Frankfurt has not expanded as many in the Germany economy anticipated. That situation has given strength and opportunity to London, but on the day that those additional flights come overhead and the third runway means that planes fly intensively over Kensington and Chelsea, there will be a fundamental change in the attitude towards living in this city. Quality of life is not simply a nicety, a luxury or an add-on; it is essential to the functioning of London's economy, and as we lose it, we put the future of London at risk.

Justine Greening: The hon. Lady knows that planes already fly overhead for half the day, so it is not a question of imposing on people something that they do not have. They already have half a day of planes flying overhead; they are asking for the other half to be kept free.

Susan Kramer: I can only agree with the hon. Lady. Mixed mode and half a day of peace certainly make a huge difference in my constituency. People can plan things like weddings in the afternoon, and schools can have a sports day during which their children can be outside and hear each other in the afternoon. The difference is phenomenal. I am conscious of other constituencies that are so close to the airport that children's education and lives are generally disrupted by the constant impact of noise, but the loss of that half day is the final straw for my community. People who have put up with the insistent and intrusive level of noise have been able to do so only because they know that there will be relief from time to time. To take away that relief is so utterly fundamental that the Minister should meet some of my constituents to understand how it changes their views, turning them from people who are generally opposed to Heathrow into active militants.

Noise was inadequately dealt with during the consultation. I spoke to a noise expert who visited Barnes wetlands recently. The hon. Member for Putney also attended, because it was the nearest exhibition to her constituency. The expert and I agreed that decibels are a measure of interest to physicists who are interested in the behaviour of sound waves, but that they do not tell anybody very much about how people hear noise. The value of the "Attitudes to Noise from Aviation Sources in England" study has been to demonstrate that noise is becoming more intrusive, disturbing and annoying. If the Government will not take it into serious consideration and understand that the standards of noise that they used in the past will not do today, just as the standards of pollution, cleanliness and responsiveness that we used in the past will not do today, they do not understand the dynamics of my city.

The issue that exercises me more than any other is the consultation process. Several hon. Members have said that there is a question about trust. Indeed, one promise after another has been broken over the years, so we start from a position of grave distrust of the Government and of BAA and its motivations. It bothers people enormously that BAA was so intensely involved in the development of the consultation documents and of the documents behind them, such that it is impossible to tell where one organisation stops and the other begins. There was obviously no independence in that process.

I ask once more, will the Minister come, or will he direct his senior officials to come, and answer questions directly, face to face? Some 700 families will lose their homes, thousands of people will lose their half day of peace and thousands more will come under the flight path for the first time, but no Minister is willing to enter into dialogue. We live in a democracy, and such dialogue is essential. The mistrust extends to the planning process, which is quite frightening when one considers the issue in the context of airport expansion.

The possibility is that without consultation, the new proposals for Heathrow will be fast-tracked into the new Planning Bill. Someone said to me—it struck me as wise—that we ought to call it the "Planning (More Runways and Nuclear Power Stations) Bill", because that is what it is—a mechanism for a fast-track decision, which essentially means that local people will be carved out of any effective consultation. I have said to the Minister before—I think perhaps he smiled and laughed at the time—that many of the questions in the consultation document are just about unintelligible. To work one's way through it and give a positive or sensible set of responses is nearly impossible.

Those of us who oppose the expansion are backed by the 2M group, which comprises local councils representing more than 2 million residents. As a group, collectively and across parties, we are determined to fight the expansion in every way we can, by every means. I suspect that we will succeed, because we have the populace behind us. We are all determined to ensure that the expansion does not happen.

3.40 pm

Mr. Julian Brazier (Canterbury) (Con): I congratulate my hon. Friend the Member for Uxbridge (Mr. Randall) on obtaining the debate. He has been a most effective campaigner for his constituents on the issue over the years and has made his mark again and again. In March, I visited his near neighbours in Hounslow, and the vexation of local people was evident. Many felt that they had been, and continued to be, ignored. One would have needed a heart of stone not to be affected by some of the sights. Lampton school, which I visited, did not even have an air-conditioned room for students to take their exams in, so the teaching staff were faced with the choice of frying them in a boiling hot room in June or their having to be deafened every 90 seconds by a jumbo taking off.

My hon. Friend represented the views of his constituents colourfully, and when he mentioned the highland clearances and we heard the vigorous speech of the hon. Member for Hayes and Harlington (John McDonnell), it struck me that if the Scots had had those two at Culloden, history might have taken a different course.

The debate presents an opportunity to put many people's concerns to the Minister, and there have been some very good speeches. In fact, we all welcome the opportunity to question the Government. We have been told by them, not least by the Prime Minister, that the expansion of Heathrow is an issue of the utmost national importance—so important, in fact, that the decision to launch the consultation did not even involve the Secretary of State coming to the House. Instead, it was slipped out in a written statement.

Meanwhile, a report appeared in *The Times* on 22 November under the headline, "Stansted runway plan scrapped in favour of Heathrow growth", saying that the Government were prepared to drop backing for expansion at Stansted to get it at Heathrow. Is that true? The Opposition are firmly against further runway expansion at Stansted and Gatwick. Nobody with a serious commitment to combating climate change—we heard a brief but remarkable speech from my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd)—could consider the three extra runways that were in the Government's original White Paper.

We, as a party, are committed to reducing the growth in aviation emissions towards a rate that could be covered by efficiency savings. Nevertheless, we recognise as a party that the economic case for expanding Heathrow is much stronger than those for the other two airports. With characteristic vigour, my hon. Friend the Member for Spelthorne (Mr. Wilshire) made some points on that. However, before any decision can be made on a matter of such importance, four tests must be met—those set out clearly by my hon. Friend the Member for Chipping Barnet (Mrs. Villiers), who has taken the trouble to join us today. They are on NOx pollution, noise, examining alternative ways to meet demand and free up capacity, and, above all, meeting our climate change targets.

Can expansion go ahead in a way that is consistent with meeting EU requirements on NOx emissions? Can it go ahead in a way that still allows us to meet our targets on climate change and cutting CO_2 emissions? Is it possible to meet increased demand with more efficient use of existing capacity or by providing better transport alternatives, such as high-speed rail? Most controversially of all, is expansion consistent with no increase in the overall noise footprint of the airport and a progressive reduction in that footprint in the medium term?

There is a particular wrinkle on that last point: the current night-time flight regime was rejigged in 2006 and will end in 2012. During the passage of the Civil Aviation Act 2006, as has been said several times, the Government tried to abolish the combined movement and noise quota in favour of just a noise quota to determine night flights. Conservative peers, working with Liberal Democrats, defeated the Government in the Lords. Had they not done so, night disturbance would have increased considerably.

I shall put some detailed questions to the Minister. Can he guarantee that there are no plans to remove the night cap? What are the plans after 2012? During the passage of the 2006 Act, we tabled a number of amendments to improve the measurement of noise, as my hon. Friend the Member for Putney (Justine Greening) said, and to introduce independent verification of noise limits and tightening of the system of fines for exceeding noise quotas, which my hon. Friend the Member for Windsor (Adam Afriyie) is keen on. The Government rejected them all out of hand. Are they willing to reconsider?

Do the Government stand by their promise, made in the White Paper and reiterated in the statement to the House, that there will be no net increase in the 57 dB noise contour area of 127 sq km? Following on from that, after commissioning and paying for the ANASE report, which my hon. Friend the Member for Henley (Mr. Johnson) described with his customary vigour and which was six years in the making, have they simply abandoned its findings? In particular, do Ministers still believe that Leq is an appropriate and credible measure of noise?

How many homes would lose their alternate half-days of comparative peace and quiet if mixed mode on runways were introduced? When I visited Hounslow, I got the feeling that communities thought that their half-day of peace and quiet was a bigger issue than the third runway. I note the unanimity on that subject among all who have spoken today. Has the Minister made any comparative studies of noise insulation schemes administered by non-BAA-owned airports abroad and in the UK? Does he appreciate that if Heathrow had to apply the standards that City airport has voluntarily taken on, it would be insulating homes in Kensington?

The Government stated in the 2003 White Paper:

> "The most difficult issue confronting Heathrow concerns compliance with the mandatory air quality limits for NO_2 that will apply from 2010, and in particular the annual mean limit of 40 micrograms per cubic metre. The consultation document…said"

that

> "another runway at Heathrow could not be considered unless the Government could be confident that levels of all relevant pollutants could be consistently contained within EU limits."

Do the Government rule out seeking a derogation, temporary or otherwise, from the mandatory air quality limits on NOx that will apply from 2010? Does all or any part of the Heathrow site already exceed those limits? Have the Government studied Ove Arup's innovative Heathrow hub concept and fully considered

[Mr. Julian Brazier]

its advantages in tackling real threats to security and hugely reducing traffic flows, the carbon footprint and NOx?

At 14 years, the public inquiry on terminal 4 was the longest in UK planning history. Does the Minister accept that, whatever the decision, we owe it to all parties to arrive at a decision in a timely fashion? At what stage does he envisage the Secretary of State calling in the planning application for a third runway?

Mr. Donohoe: Will the hon. Gentleman give way?

Mr. Brazier: I am sorry. I would normally give way, but I have almost run out of time.

Where do the Government stand on the rumours that BAA is about to propose a full-length, rather than short-length, runway? One more question, which was asked by my hon. Friend the Member for Ruislip-Northwood: what is the future of RAF Northolt? Is it guaranteed under the planned scenario? Everybody who has spoken in the debate agrees that we need a better service at Heathrow, but the Government must answer those questions before the Opposition take a view on whether it should be expanded.

3.49 pm

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): It is a pleasure to see you in the Chair, Mr. Benton. I congratulate the hon. Member for Uxbridge (Mr. Randall) on securing this debate on a topic of such importance not only to his constituents, but to the whole UK.

I have some remarks to put on the record first, and I shall try to rattle through them and get to as many points that hon. Members raised as I can. If I am unable to do that, as I suspect I shall be, I shall write to hon. Members.

We had a meeting with a number of interested local MPs last week and I have promised another one, and I acknowledge the point made by my hon. Friend the Member for Hayes and Harlington (John McDonnell) that this will be only one of a series of debates on specific aspects of the matter. I suppose that, given the generality of opening up Heathrow, that is appropriate.

The Government recognise the breadth and intensity of views on airport expansion, particularly Heathrow. We believe it is time to take decisions about the future of Heathrow, both in the national interest and to end the uncertainty for those who live in the locality.

Hon. Members have asked whether a decision has already been taken. The case for expanding Heathrow was made clearly in the 2003 White Paper, "The Future of Air Transport", following an extensive study of capacity and likely future demand for air travel in the UK. It concluded that three new runways would be needed in the south-east to satisfy demand over the next 30 years. That is the vision and long-term planning that one or two hon. Members asked about. However, the Government decided to support only two runways—at Stansted and at Heathrow—subject to important preconditions. The article in *The Times* was completely wrong, and we have said that publicly. We think that the Stansted application will come forward shortly, and we support expansion there.

Alternative locations, including a new four-runway airport at Cliffe in north Kent, were examined in depth and consulted on. Despite the obvious benefits of minimising flights over populated areas, they were ruled out on the grounds that they were not viable, not least in financial terms. The Government decided instead to support a strategy aimed at making the best use of existing infrastructure and targeting new runway capacity where it is really needed, in the south-east and in the regions.

John McDonnell: Will the Minister give way?

Jim Fitzpatrick: I shall try to give way later if possible. I apologise for not giving way now. I am not being discourteous; I simply want to respond to as much of the debate as possible in the nine minutes left.

That strategy set out to balance, as far as possible, the needs of the economy, the environment, local communities and the wider population of the UK. Our latest forecasts endorse the broad trends identified earlier. They also confirm that even when the costs of carbon have been fully taken into account, in line with the Stern review, the economic case for developing Heathrow remains strong. That point is covered in some detail in the impact assessment that forms part of our consultation document, to which I shall turn in a moment.

We also want conditions at the airport to improve. Delays, overcrowding, and lost baggage are just some of the frequent complaints, but Heathrow is struggling with ageing infrastructure and volumes of traffic beyond its design capacity. The good news is that the state-of-the-art terminal 5 will open next March and that BAA has plans to invest £6.2 billion in modernising the airport over the next 10 years. By 2012, two out of three air passengers will be using terminals that are not open today.

We need to consider the whole passenger journey, including travel to and from Heathrow. Again, improvements are coming. The Government's £16 billion funding deal for Crossrail is now in place, which will provide a 25-minute link to the centre of London. From 2014, enhanced Piccadilly line services will add further options for people travelling to the airport, including, very importantly, its work force. Also, AirTrack, if approved, promises to make a significant addition to Heathrow's rail links, providing direct services from terminal 5 to the south-west rail network via Staines. That point was raised by the hon. Member for Spelthorne (Mr. Wilshire).

All that will improve the passenger experience, but it is not just the terminal facilities that are struggling to cope—so are the runways. Demand for departures and arrivals exceeds capacity on the current two runways, so even the smallest problem in the system can have a disproportionate impact elsewhere, leading to delays from which it is difficult to recover.

Current runway constraints also have environmental impacts. More than 100,000 aircraft had to be stacked over London in 2006-07, emitting more than 50,000 tonnes of carbon. If the current proposals are approved, National Air Traffic Services would look to balance safety, which is paramount, airspace capacity, airport resilience and environmental requirements. Depending on any options pursued, there may be some scope to reduce stacking with consequent potential environmental benefit. Ultimately, we have to address the question of runway capacity.

Our support in 2003 for a short, third runway at Heathrow was conditional on strict local conditions, one of which was that there would be a noise limit and no increase in the size of the area significantly affected by aircraft noise, as measured by the 2002 57 dBA Leq noise contour—the hon. Member for Canterbury (Mr. Brazier) asked about that. Other local conditions concerned air quality limits and our being confident of meeting the European air quality limits around the airport, and improving public transport access to the airport.

The consultation launched on 22 November also presented proposals for introducing mixed mode operations on the existing runways, both within the flight cap, to improve resilience, and beyond the cap to allow an additional 60,000 movements a year. That would be subject to the same conditions. Again, the consultation document presents analysis and invites views. It also considers existing operational procedures such as the Cranford agreement and westerly preference, which the T5 inquiry recommended should be reviewed.

We want to take full account of the breadth of views and the evidence that all interested parties may have to offer between now and the closing date of 27 February, and I urge all people who will be affected by the proposals to register their views. We have tried to facilitate that by sending summary documents to more than 217,000 households, alerting them to the consultation process and telling them how they can find out more.

I accept the point made by my hon. Friend the Member for Hayes and Harlington—there were a few problems for a couple of days, but they have been resolved. We have set up a helpline number—0845 600 4170—and an e-mail address, heathrowconsultation@dft.gsi.gov.uk, to enable people to ask questions. The online address is http://www.dft.gov.uk/consultations/open/heathrowconsultation/.

In addition, we are mounting a series of 11 exhibitions—six in December and five in January, or it may be the other way around—which began last Friday, to give people further opportunities to understand the issues and register their views. Following the consultation, we will take the final policy decisions later in 2008 after we have finished assessing all the responses and accompanying evidence.

I shall now address a few of the specific points that have been raised and then give way to answer questions, if I have the chance. The hon. Member for Uxbridge criticised my right hon. Friend the Secretary of State for Transport on her approach to the matter, but I assure him that she treats it with the utmost seriousness. She fully explained to the House last week, in Transport questions, why a written statement was entirely appropriate. Consultations are generally launched by a written ministerial statement, and she intends to make an oral statement to the House in due course.

Mr. Randall: I asked where in the consultation the people who are to be forced from their homes can find out where they are to be removed to.

Jim Fitzpatrick: I shall come to that in a moment. My final point on the issue that the hon. Gentleman raised earlier is that it is not only BAA making the economic case, but London First, the City and other individuals and organisations. I believe that the consultation responses will show that.

On the issue that the hon. Gentleman has just raised, home owners whose properties are required will have statutory protection in the form of blight and compensation payments at the appropriate planning stage, which is normally once a planning application has been approved. In line with Government recommendations, BAA also operates a voluntary scheme, the property market bond scheme, which provides additional protection to home owners in the form of guaranteeing the market value of properties in the intervening period, once the intention to apply for planning permission has been announced.

Other protection includes the reimbursement of legal and moving expenses when homes are sold, and an additional home loss payment of 10 per cent. when planning permission is granted. BAA is already implementing such arrangements at Stansted, ahead of any formal planning application for a second runway there.

The position as far as leaseholders and tenants are concerned will depend on the terms of their leasehold or tenancy. For those in social housing, the local authority will have a responsibility to find alternative accommodation. On the availability of alternative housing, if the proposals are taken forward, the relevant properties will be acquired over a considerable period. We expect those affected to be able to find alternative properties on the open market.

Mr. Randall: I suggest that the Minister come and see for himself that there are no available properties in the area. People want to live in the same area, within a few miles, but there are no available properties and the value of their houses has already decreased. The whole thing is ridiculous.

Jim Fitzpatrick: I move on to climate change—

John McDonnell: Will the Minister give way?

Jim Fitzpatrick: Of course.

John McDonnell: There are already 2,000 families on the homeless waiting list in Hillingdon. There is nowhere for them to go.

Before our next debate, will the Minister provide us with information regarding the costs of the third runway and the sixth terminal in terms of construction and the contingency plans that will be required to relocate those communities? What cost burden will fall on the public purse? I believe that Ferrovial will not pay for it, and that it will squeeze out all other expenditure on beneficial transport developments for perhaps two decades.

Jim Fitzpatrick: My hon. Friend asks me to research a matter for him in advance of the next debate, and I am happy to do that. Obviously, we are in the consultation period and we expect many of these genuine and serious issues to be raised. Answers will have to be forthcoming in due course: that is why we are having the consultation. However, the Government are consulting on the basis that we have stated our policy to expand Heathrow and have a third runway and additional terminal, because we believe it to be in the economic interest of London and UK plc.

The scientific, environmental and economic modelling are contained in the reports that accompany the consultation—

Mr. Joe Benton (in the Chair): Order. We come to the next debate.

NHS Services (Taunton Deane)

4 pm

Mr. Jeremy Browne (Taunton) (LD): I am extremely grateful for this opportunity to have a short debate on what is an extremely serious topic for my constituents. Over the autumn, I prepared 30,000 fairly detailed surveys, which were delivered across Taunton Deane by volunteers who were willing to help me. I asked questions on a range of topics to do with the national health service, and I was extremely encouraged by the high response rate. Several thousand surveys were returned to me, and I compiled a digest of the results, which I have shared with the Minister and health professionals throughout the Taunton Deane and Somerset areas, as much for their interest as for their information. The questions dealt with many aspects of the experience that patients have in my part of the country.

It will be helpful if I begin by setting out a little of the context. First, it is important to give credit where it is due and say that the response was overwhelmingly positive. I was not undertaking the survey in an attempt to criticise or to find problems where none exist. It is fair to acknowledge that the Government have dramatically increased spending on the NHS over the past 10 years; in fact, they have increased public spending, full stop. For every £10 that they spent in 1997, the Government now spend £14—a 40 per cent. real-terms expenditure increase over the past decade. Of course, the increases in the NHS have been even bigger than that, so some of the problems caused by chronic low funding do not apply in the same way as they did a decade ago. Whether the money is always spent as efficiently as it might be is another matter, but there are not the same structural funding problems.

It is also reasonable to point out that some of the severe patient problems that existed a decade ago, with people waiting a year and a half and, in some cases, as long as two years for an operation, no longer exist to anything like the same extent. I imagine that it must be frustrating for Ministers who feel that they have gone some way to addressing a problem to find that people in the population at large then turn their attention to another problem and do not necessarily notice the one that has, to a large extent, been resolved.

It is reasonable and fair to say that recognition of the improvements came through in the responses from my constituents. There was a high level of support for Musgrove Park hospital—the main hospital in Somerset, serving Taunton and a much wider part of Somerset as well as some people in Devon—Wellington community hospital and Dene Barton hospital, which is also within my constituency, and for all of the GP surgeries, all of which I have visited. There was a positive sense that the NHS services in Taunton Deane were part of our community. People supported them and felt an affinity with them. They wished those services and the staff in them—doctors, nurses and the occasionally maligned administrators—well, and wanted to ensure that we had an NHS in our part of the country of which we could be proud.

I shall give four examples of the positive feedback that I put in the response sheet, which is the compilation of the surveys that were returned to me. First, "73 per cent. of respondents believed that local health services have got better or stayed the same in recent times."

Obviously, it would be nice if the figure were even higher; none the less, taking into account that people may be more inclined to respond to surveys if they have a grievance, I was encouraged that three quarters of the people who responded believed that the services were as good or, in many cases, better than they were in recent times. Secondly,

"94 per cent. of people surveyed"—

an overwhelmingly large figure—

"felt that the waiting time to see a GP locally was reasonable."

Only 3 per cent. reported that they waited longer than was reasonable to see a doctor in my area. Thirdly,

"70 per cent. of people said that they were very satisfied with the consultation they received from their GP."

Only 1 per cent. of the remaining 30 per cent. reported that they were not very satisfied.

As we can see, there is general satisfaction with the services, and it goes right across the board, even to the hospital food. I spent half a day at Musgrove Park hospital a few months ago to find out about its food and catering operations and to meet all the staff who work in that area, which has traditionally been the subject of jokes. People malign hospital food and those who serve it, and comment on whether it tastes good enough, is hot enough, and so on. However, 76 per cent. of people who had hospital food during their stay in hospital said that they were very or fairly satisfied with it, and only 8 per cent. said that they were not at all satisfied.

The overall level of satisfaction with provision and services both at the hospital and at GP levels was encouraging. It is important to make that point. To summarise, when people were asked how satisfied they were with the NHS in Taunton Deane,

"30 per cent. said they were very satisfied, 56 per cent. of people were fairly satisfied",

and only 14 per cent. of people said they were not very satisfied, but, of the several thousand who responded, nobody said that they were not at all satisfied. Fourteen per cent. erred on the side of dissatisfaction, but even they were not totally negative in their observations on the NHS.

We have many things to look forward to in my area. A cancer centre is to be built at Musgrove Park hospital—in fact, work has already commenced on it, and it is due to open in 2009. That is an extremely important development for my constituents because, at present, many who have cancer need to go as far as Bristol for treatment. Obviously, that 100-mile round trip from Taunton is distressing for them and their families; it is also expensive and physically tiring at a time when they are least well equipped to deal with such a journey. That issue, which is of huge importance to my constituency, is being addressed, and I believe that I can say with absolute confidence that my constituents very much welcome that change.

Having said all those things, it is only reasonable to point out where there are concerns. It would be interesting to hear from the Minister how we might go about tackling them effectively. I will run through some of them. They are not in any particular order, but it is worth starting with the one that has perhaps received the most attention in my area. The survey indicated that

"40 per cent. of people rated the out of hours care they received from their GP as poor. 43 per cent. thought it was average and only 18 per cent. rated it as being good."

Compared with the figures that I gave earlier on other aspects of the NHS, those figures are very low indeed and should give rise to concern, particularly as the Government have recently altered the arrangements for out-of-hours services at the evenings and weekends. I welcome the new Somerset primary care trust five-year strategic health plan, which includes in its summary a commitment to

"Developing more flexible opening hours for GP surgeries, including extended opening at evenings and weekends for half of the county's GP practices."

I hope that the Minister will be able to give us some encouraging news this afternoon about improvements in this aspect of the service. People in my area are keen to have an efficient out-of-hours service, particularly elderly people who may need to access GP services outside conventional working hours. It is of huge importance to them.

The second concern that I am keen to raise is the availability of NHS dentists. It is true that, according to the figures that I have been given, 69 per cent. of the population in Taunton Deane are registered with an NHS dentist. That is considerably higher than the national average, but of course it still leaves almost one third not registered with an NHS dentist. There is evidence of problems with dentistry in Somerset. Taunton Deane has a high level of tooth decay in 10 and 11-year-olds, according to Somerset county council's health scrutiny sub-committee, and although availability of and access to NHS dentistry in Taunton Deane is less problematic than in some other parts of the country, it was raised as a concern by a number of people

Another aspect of concern was the continued existence of mixed-sex hospital wards. In my survey, two thirds of people—67 per cent.—of those who responded thought that mixed-sex wards were not acceptable, and only 16 per cent. thought that they were okay. I hear that anecdotally from people who, when they may feel compromised in their health and general appearance, would rather not have the indignity of being on a ward with people of the opposite sex who are strangers to them. I know that the Government have turned their attention to that in the past, but it remains a problem in Taunton Deane and elsewhere in the country. It would be a significant step in the right direction if mixed-sex wards no longer existed in Musgrove Park hospital and elsewhere.

The fourth of the six areas that I shall touch on is nurses' pay, which is topical, given that police officers' pay is at the forefront of our minds. Many people felt that the nurses' pay rise this year was less generous than it should have been. I recognise that pay has improved in recent years, but there has been a spending squeeze this year.

Caution was expressed about excessive centralisation and target setting in the NHS. I am not against targets in all circumstances, and I believe that most people are not against them in all circumstances. People rail against them, but they respond positively if they are given an example such as the target of patients being

[Mr. Jeremy Browne]

seen within 14 days if they are suspected of having cancer. However, they are anxious about excessive centralisation and micro-management of services by central Government, with less discretion being given to people in each geographic area, such as Taunton Deane, to run and to shape services appropriately for their community.

The final concern is cleanliness and hospital infections. In the past year or so, I spent half a day with the cleaning staff at Musgrove Park hospital, and I was impressed by how seriously they take their duties and the progress that they are making to improve the overall standard of cleanliness. However, 18 per cent. of those responding to the survey reported that they were aware of a problem with MRSA or other hospital-related infections during their stay. That has been a problem at the hospital in Taunton and at other hospitals. It causes great anxiety to people who fear that they will end up being made more ill rather than cured during their time in hospital.

In conclusion, I recognise that there have been improvements in NHS services in Taunton Deane. I want to be reasonable and to pay tribute to those improvements when it is deserved. I particularly recognise the work of doctors, nurses, administrative staff, all the support staff, such as porters and receptionists, whose work is often overlooked, and all those who work within the primary care trust and the strategic health authority. I have had good relations with them while I have been a Member of Parliament, and their work is hugely valued by people in my area.

There is great loyalty to the services. The friends of Musgrove Park hospital and the friends of Wellington community hospital are both well supported organisations, and that recognises the general feeling of well-being directed towards those two hospitals in the community as a whole. However, that does not mean that there is no scope for services to improve, and there is still some way to go with out-of-hours access to GPs and mixed-sex wards. If the Minister can demonstrate progress in such areas, I will ensure that next time I undertake such a survey in Taunton Deane the findings will be even more positive and encouraging than on this occasion.

4.14 pm

The Minister of State, Department of Health (Mr. Ben Bradshaw): I congratulate the Member for Taunton (Mr. Browne) on securing this debate, and I thank him for congratulating NHS staff in his constituency on the excellent job that they do. I had the privilege of seeing a copy of the hon. Gentleman's survey. He has alluded to some of its findings, which were helpful and encouraging. Among the figures that he cited, 73 per cent. of residents thought the health service had got better or stayed the same, and 86 per cent. were satisfied or very satisfied. More than nine in 10 had no problems getting an appointment with their GP, and two thirds said that they were seen within an hour at accident and emergency, which is impressive. Of those who had visited hospital, 100 per cent. had rated their stay as being good or very good.

Given the results of hon. Gentleman's survey, I was a little surprised to see that it is entitled, "SOS for the NHS". I accept that there are still challenges, and I shall come to some of his specific concerns. It is important that we do not talk down the NHS, and he did not do that in his speech.

4.16 pm

Sitting suspended for a Division in the House.

4.31 pm

On resuming—

Mr. Bradshaw: As I was saying, I was also pleased to read in the survey conducted by the hon. Member for Taunton that nine in 10 Taunton residents rejected the suggestion that the NHS wastes money. Of course, in 1997 the NHS suffered from massive under-investment. We have more than doubled spending in Taunton and across the country, and just in the past two years, funding for Somerset primary care trust has increased by 22 per cent. Without that additional investment, accompanied by reform, we would not have seen the significant reductions in waiting times and waiting lists that have been achieved.

In Taunton and Somerset NHS Trust in 1997, more than 1,000 people were waiting more than six months for treatment; today, nobody is. I can announce to the House today that by the end of this month, no one at the trust will have to wait more than 18 weeks from referral by their GP for treatment. That is a year ahead of the national target—a remarkable achievement. I congratulate all the NHS staff in Taunton and the surrounding area who have worked so hard to achieve that goal. I have to tell hon. Members that Taunton is only the second place in the country to achieve that historic milestone, the first being Yeovil—*[Interruption.]* There is a traditional rivalry within Somerset. I also congratulate the trust on achieving foundation trust status earlier this month. I hope that the trust will continue to work in partnership with all the other NHS organisations to provide the best possible service to the local community.

I come now to the concerns raised by the hon. Gentleman. As he will know, the out-of-hours service in Taunton is provided by Somerset primary care trust, with calls from patients handled by the South Western Ambulance Service NHS Trust. I was a little surprised by the conclusions of his survey, as recent official patient surveys have found that 92.2 per cent. of patients describe their satisfaction levels as good or excellent. The Department requires all out-of-hours providers to meet the quality requirements as a contractual obligation. The requirements stipulate that patients will be guaranteed a GP consultation, including a home visit if there is a clinical need; patients are treated by the clinician best equipped to meet their needs in the most appropriate location; and services will be regularly audited to ensure that patients are receiving quality care.

An audit of the service in Somerset conducted by the National Audit Office in 2006 found it to be effective, clinically safe, meeting patient needs and expectations and providing value for money. It has been highlighted as an example of good practice for use across the country. Perhaps one explanation for the findings of the hon. Gentleman's survey is that there is an element of confusion between out-of-hours service and the opening hours of GPs, which is a slightly different matter. Because of the questioning in the survey, some respondents may have thought that they were being asked about extended opening hours for GPs, which we acknowledge is still a problem not just in Taunton Deane but around the country. As the hon. Gentleman will know, we are taking measures both locally and nationally to increase the flexibility of GP surgery hours.

I have to tell the hon. Gentleman that many hon. Members would be delighted if 69 per cent. of their constituents were registered with an NHS dentist. I think that the national average is about 56 per cent. and it has never been more than 60 per cent. across the country, so Taunton enjoys a higher level than has ever been achieved anywhere in the country. I understand that there are 15 dental practices in Taunton Deane, with four currently taking on new NHS patients—two in Taunton and two in Wellington—so the hon. Gentleman's constituents should not have too many problems finding an NHS dentist. Spending on dentistry has increased by 30 per cent. since 2003-04. We have also opened two new dental schools, including one in the south-west, and increased the number of undergraduate training places by 25 per cent.

The South West strategic health authority has told me that Musgrove Park hospital complies with the Department's guidance on single-sex accommodation. I understand that all wards are single sex except where patients are admitted as emergencies. That is a common practice around the country. I understand that when patients are admitted to a mixed-sex ward, the foundation trust always attempts to put them in a single-sex bay and to move them to a single-sex ward as soon as practically possible. Every effort is made to ensure that patients' privacy and dignity are respected.

The hon. Gentleman drew attention to the problem of nurses' pay. We acknowledge that this year's pay round was a very tight one, but we cannot stress enough the importance of avoiding inflationary pressures in the economy, because no one, least of all public sector workers, benefits from spiralling wage, and therefore price, inflation. In the long term, inflation means less investment in public service, fewer jobs and lower pay. The same sort of pay restraint is having to be endured, as the hon. Gentleman himself said, by all staff in the public sector and, indeed, the private sector.

The hon. Gentleman is right to say that in the past 10 years we have had to rely quite a lot on top-down targets. They have been very important in driving some of the improvements that we have seen in mortality rates for some of the major killers in this country, such as cancer and stroke, and to get the appallingly long waiting times that existed a few years ago down to the levels that we are enjoying now. However, as we have achieved that, increased the capacity of the services and invested in more doctors and nurses, we can now move away from the top-down culture; indeed, we are doing that.

When the annual NHS framework document—an annual document that the Department publishes to give the service its instructions for the next 12 months—is published tomorrow, the hon. Gentleman will see that we have made a significant shift away from top-down targets, although there are still one or two areas where we think the public are so concerned that they should be national priorities. He touched on one of those—hospital cleanliness and hygiene. However, we are going to leave it much more up to local health services, in consultation with their local communities, to decide what the most appropriate priorities are for them.

With regard to hospital-acquired infections in the hon. Gentleman's area, I understand that Somerset is working towards its clostridium difficile target and it has made good progress in reducing MRSA, but we are not taking the pressure off. As I am sure the hon. Gentleman is aware, we have taken a number of decisions in the past few months to help to continue the drive to reduce hospital-acquired infections. That problem, which affects all developed countries, does not have one simple solution. Cleanliness and hand washing are very important, but so is good prescribing—the right prescribing policy for antibiotics—as poor prescribing can lead to problems in many areas. It is important that less well performing hospitals and trusts learn from the experience and practice of the best performing ones.

The hon. Gentleman referred to the local strategic framework, which he rightly said, I think, will be a very exciting document, setting out the vision for health care in his area for the next few years. It includes a £2 million investment programme to reduce health inequalities, and joint working with GP practices on practice-based commissioning—again, that is bottom-up health care priority setting. There are also local targets to reduce avoidable emergency admissions by 10 per cent. by March 2009; to improve palliative care services; to build four new community hospitals, at Frome, Minehead, South Petherton and Bridgwater, by 2012; and to commission, as the hon. Gentleman said, a new cancer centre at Taunton and Somerset NHS Trust by 2009 and a new surgical centre by 2013.

I am extremely grateful to the hon. Gentleman for showcasing the excellent quality of health care in the Taunton area. Taunton is in the lead in a series of areas, and I congratulate and thank staff and local and regional NHS managers for their fantastic dedication and hard work. It means that when we celebrate the 60th birthday of the NHS next year, the people of Taunton will have particular cause for celebration. Of course there will always be room for improvement, but I know that the local health service is committed to building on its success, and I am sure that it will enjoy the hon. Gentleman's support as it does so.

Chewing Gum (Cleaning)

4.40 pm

Mr. Graham Allen (Nottingham, North) (Lab): I hope that you, Mr. Benton, have never suffered from Montezuma's revenge, but you and your constituents have certainly suffered from the revenge of another defeated Mexican general, Antonio Lopez de Santa Anna, best known to moviegoers for his siege of the Alamo. That general was decisively defeated in the later Mexican-American war and went into exile in New York, where his minder was an inventor called Mr. Adams. The general persuaded Mr. Adams to import a consignment of chicle, the native gum of Mexico. After unsuccessful attempts to turn it into carriage and bicycle wheels, Mr. Adams turned the remainder into chewable candy. The rest, as they say, is history.

In my city of Nottingham, where we have spent millions of pounds enhancing our beautiful city centre and our square in the middle of town, we are unfortunately already seeing gum being deposited and we are having to have people almost permanently on station to remove it. Gum is a plague on modern cities and it defiles quality of life in places such as Nottingham, Derby, Leicester and Lincoln, representatives of which I have spoken with today. That has to change.

Those who can act with impunity—the manufacturers that supply gum—face no costs whatever. The clean-up costs are all down to our local council tax payers and income tax payers. Either the manufacturers should start picking up the bill or, far more preferably, the Government should help them to see the light and move towards a biodegradable gum.

The first chicle introduced from Mexico was a vegetable substance. I am sure that, with a little prodding and incentive from the Government, we can get the manufacturers to go back to a biodegradable gum and reduce this plague—this blight—on our cities, which reduces people to bringing gum into their own houses and on to their carpets from the streets. Children get it in their hair and on their clothes. People with disabilities get it on their wheelchairs. It is about time that we started to do something about it so that cities such as Nottingham can be the joyful and clean places that citizens want them to be.

This scourge promotes antisocial behaviour, blights the environment and public property, and costs local government and national Government millions to clear up. It is a hidden menace to every walker and to wildlife and pets, and is an additional and unpleasant hazard to disabled people and young children. In this short debate, I shall look at some of those costs in more detail and make a simple proposal to deter and reduce the consumption of chewing gum and to raise additional revenue from those who cannot do without it to deal with its consequences.

I hope that I can save my hon. Friend the Minister much time by congratulating the Government on their recent record in tackling the menace of chewing gum. I hope that he will spend more time on the future than on the past. He will not need to dwell too long on the Government's excellent Clean Neighbourhoods and Environment Act 2005, which defined chewing gum as litter. That has allowed for the issuing of fixed penalty notices to people who spit out their gum or otherwise park it antisocially. However, it would be most helpful if he gave us some idea of the use to which local authorities have put this power. How much money has been collected in on-the-spot fines and what contribution has that made to offsetting the cost of cleaning up chewing gum that has been badly disposed of? I would be most grateful if he wrote to me on that subject.

I also acknowledge that the Government have created the wondrously named chewing gum action group, which brings together chewing gum manufacturers, the Local Government Association, the Chartered Institution of Wastes Management, ENCAMS, which runs the "Keep Britain Tidy" campaign, the Improvement and Development Agency, and Departments. Perhaps my hon. Friend Minister can reassure the House that this action group is still in being and say whether and how departmental representation has been affected by the recent Government reorganisation. The action group certainly has plenty of issues to chew over. I hope that this issue has not been parked nicely in the long grass so that people feel that, because there is an action group, no serious long-term practical action needs to be taken.

The chewing gum action group's main initiatives so far have been concentrated on education, publicity and advertising campaigns in which a number of local authorities have been pilots and partners, including, I am glad to say, my own city of Nottingham. In exchanges in the House and the other place, Ministers have cited some welcome local successes from those campaigns. On 2 November 2006, my hon. Friend the Member for Exeter (Mr. Bradshaw), who was then an Under-Secretary in the Department for Environment, Food and Rural Affairs, but is now the Minister of State, Department of Health, informed my hon. Friend the Member for Wigan (Mr. Turner) that

> "in several pilot cities, where we have worked with local authorities on special education and publicity schemes on chewing gum, we have seen a 37 per cent. reduction in chewing gum litter."—[*Official Report*, 2 November 2006; Vol. 451, c. 453.]

Earlier that year, on 25 February, he informed the hon. Member for Bexhill and Battle (Gregory Barker) of even more dramatic success in Preston—a 76 per cent. reduction.

Such successes from education and advertising are highly welcome, but they still leave a vast and intractable problem of chewing gum pollution in every local community. My own city centre in Nottingham is so befouled with gum that one imagines that people there are perhaps not so susceptible to Government advertising as the good people of Preston. The same applies to the centre of London. One has only to walk outside the precincts of the House to see a site of world heritage significance despoiled by chewing gum. Even when the chewing gum is removed, it still leaves a stain. Even after an expensive and time and labour-intensive process, it still leaves that tell-tale mark, unlike a recycled product, which would ultimately be washed away from sight. Even the Houses of Parliament, located in the middle of London, have that problem.

Ministers have suggested that no fewer than 91 per cent. of our country's high streets are affected by chewing gum and that each local authority spends an average of £13,000 a year clearing it up. That average contains massive variations. Some local authorities agree that they are spending at least £200,000 a year and some, astonishingly, were spending nothing at all. I do not believe that the average expenditure is anything like enough to counteract the damage to the public realm from chewing gum litter, let alone to mitigate the cost to private individuals, particularly some of the most vulnerable members of society.

As Baroness Masham of Ilton mentioned in another place on 31 October 2006, chewing gum regularly gets stuck in the grooves of wheelchairs, pushchairs and prams. To that one might add that bullies often stick chewing gum in the hair of their victims and that chewing gum can harm and even kill wildlife and pets. The New West End Company representing Bond street, Oxford street and Regent street says that £5 million has been spent in the past five years in those three streets alone on removing 330,00 deposits of chewing gum in the area—and it says that it is getting worse.

Business, commerce and ordinary members of the public—pedestrians, mothers with children—are all well aware of that problem and of the high financial and social cost that this habit is levying on people. The clean-up costs are falling on those who fall victim to the problem, rather than the polluter paying. The "polluter pays" principle—those who bring in the substances that create deficits, whether in environmental or quality of life terms, should do something about it—is, for some reason, strangely absent from this area. I hope that the chewing gum action group is not in the pocket of those people who are happy with the current situation and are all for the quiet life.

I hope that this debate gives my hon. Friend the Minister inspiration, if it is needed, and courage, which is not needed by him, to tackle this question seriously. I have raised many important issues in Adjournment debates over several years. The subject of this debate might not be regarded as one of the most important, but there has been more public and media interest in it than in some of the heavier issues on foreign affairs, the long-term welfare of children and the development of early intervention policies in our country. It has struck a chord, so I hope the Minister appreciates that there is a great deal of sympathy with the idea of positive action in relation to manufacturers.

The manufacturers can marshal many arguments, particularly in hole-in-the-corner action groups and Whitehall committees, but I ask the Minister to tread warily around the issue—no pun intended—so that he does not fall foul of it in public opinion terms. From my experience in the past 24 hours, during which the media barely let me have any sleep—either last night or first thing this morning—I can say that public opinion is strongly attuned to the issue of our public spaces being fouled and of individual quality of life. I hope that those comments help the Minister when he negotiates a more sensible arrangement than the one that the manufacturers are getting away with.

The costs caused by chewing gum will be with us for a long time. They might be relieved, but they will not be eliminated. The industry needs to be gently nudged towards the biodegradable chewing gum option, which is clean and green. If the industry invested more money, it would be seen as a strong good-will gesture from it and an indication that it takes the issue as seriously as do my constituents and other members of the public.

I am concerned that chewing gum manufacturers simply do not have enough financial motive to make the sustained investment in research and new technology that is needed to bring biodegradable gum on to the market. On the contrary, they have every motive to keep chewing gum a cheap and cheerful product that competes with other eye-catching, low-cost confectionery at point of sale and in vending machines.

We have been in similar positions before, however. Unleaded petrol? How outrageous! What a terrible imposition it would be on the oil and petroleum-producing industries. Now, it is second nature, and there are more types of unleaded than of leaded petrol. So the solution is achievable and, despite all the outrage that will greet any proposal from the Minister, I suspect that as soon as the solution becomes common practice we will wonder why we did not adopt it before.

Chewing gum creates a by-product that is both extremely obnoxious and extremely easy to dispose of—as easy as spitting. At any given moment, thousands of people are chewing gum across our country. It is simply impossible to reach them all before they elect to get rid of their gum. We cannot hope for total success from deterrence by fines and penalties or persuasion from advertising and education. Some people never care what happens to their waste gum, and others who might want to dispose of it in a socially acceptable manner may not find any convenient means of doing so. It is very easy to walk for 10 minutes or more in central London and other cities without finding a litter bin.

That is why I hope that the Government will reconsider the possibility of a special tax on the manufacturers of chewing gum. I am taxed for the clean-up, as are you, Mr. Benton, together with every council tax and income tax payer, but the manufacturers are not—not directly, at least. Ministers in both Houses have so far gone along with industry lobbying and resisted the taxation proposal. On 31 October 2006, Lord Rooker told the other place that the case for a tax had been

> "dismissed on the basis that people who are anti-social enough to dispose of gum this way will have their conscience eased on the basis that they have paid for it to be cleaned up. We want them to change their behaviour in the first place."—[*Official Report, House of Lords*, 31 October 2006; Vol. 686, c. 153.]

With respect to my noble Friend the Minister, he is attributing far too active and subtle a conscience to antisocial gum chewers. They have no conscience at all when they choose to dispose of their gum. The only way to deal with them is to deter them from chewing gum at all, and the best way to do that is through taxation.

Chewing gum is a pollutant and we should cut its consumption by telling producers that they have a choice: continue to have their product foul our pavements and our lives—in which case the polluter must pay, and a special tax should be levied on them—or be relieved of any duty to pay tax, provided they meet stringent criteria decided on by the Minister and the Government for a proper programme of researching, implementing and producing a biodegradable gum. That would satisfy everybody. The producers would not pay any tax, gum chewers could still chew gum, and people like you and me, Mr. Benton, could walk the streets without fear of

[Mr. Graham Allen]

the consequences. There would be no detrimental effect on our tolerance of how gum is disposed of, nor any of the accompanying dirt and disease.

I hope that the Government take that proposal seriously. I do not expect the Minister to say, here and now, "Yes, we will introduce a tax next week." I hope, however, that, in his own subtle, governmental and civil service-speak, he will make it clear that the options have not been closed off, that it is now time for chewing gum manufacturers to come to the table and get serious, and that there could be longer-term consequences if they do not.

The Government are fighting and doing well in a serious war against chewing gum and the resultant pollution. I hope, however, that they will abandon their policy of unilateral disarmament on taxation, and I look forward to the Minister's assurance that they will keep this powerful weapon in their armoury. If my experience in discussing the issue far and wide over the past 48 hours is anything to go by, I can guarantee that the Minister will find tremendous public support for any attempt to get the manufacturers to cease their current approach and join the battle against chewing gum and its polluting effects on the city streets of our nation.

4.57 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw): I congratulate my hon. Friend the Member for Nottingham, North (Mr. Allen) on securing the debate and on highlighting the practical issue of litter from chewing gum. He has told us how interested the media are, which reflects people's concerns, and has given many good examples of how chewing gum affects people's lives, such as in its effects on wheelchairs and prams, and on wildlife. He mentioned bullying too.

If I may, I shall start with a statistic. The local environmental quality survey of England for 2005-06 found chewing gum litter in 96 per cent. of primary retail and commercial sites. That is no surprise to us, so my hon. Friend is right to acknowledge chewing gum as a curse and scourge of every town and city centre, including the area outside the House.

Chewing gum deposits are not only an annoyance for the unsuspecting user of public transport and for pedestrians; they are also unsightly. My hon. Friend is right that they can be time consuming and expensive to clean up, often requiring specialist equipment. Stains remain for a long time.

Local authorities are not duty bound to clean up gum, which explains some of the differing responses that my hon. Friend obtained when he spoke to local authorities about budget allocations. Nevertheless, they often feel compelled to do so, and repeated cleansing is needed to keep an area clean.

As my hon. Friend acknowledged, the Clean Neighbourhoods and Environment Act 2005 made it clear that improperly discarded chewing gum, which is not placed in a bin, is included in the definition of litter. Furthermore, the legislation gave local authority enforcement officers power to issue fixed penalty notices to people caught littering, including those caught dropping chewing gum litter. The fine can be set locally and ranges from £50 to £80.

The system is bedding in well. The latest figure for fixed penalty notices issued between April 2006 and March 2007 is 43,624. I know what my hon. Friend would ask me next—how many were paid?—but I anticipate him and can say that 77 per cent. of those notices were paid, which means a total of just over £1.5 million. Obviously some people did not pay, but that is not a bad success rate.

Figures are not available for the exact number of gum-related offences, and I fear that to provide them could prove prohibitively expensive for local authority colleagues who want to focus on clearing up the mess. My hon. Friend will welcome the fact that we have reduced the number of indicators for local authorities to below 200, so that they can get on with the job rather than filling forms. However, it is clear that many local authorities are tackling individuals. The figures speak for themselves. More than 40,000 people have been issued with fines this year alone.

When it is inappropriate to offer a fixed penalty notice, or if one goes unpaid, prosecution can be taken through the courts, and last year more than 2,000 individuals were take to court. Councils are acting tough, and we need to get that message across. When enforcement is combined with increasing public awareness, the message is increasingly being heard that littering, including gum litter, is not acceptable and that it can have serious consequences, including a criminal record. All this activity should provide a strong disincentive to inappropriate behaviour and send out a clear message that local authorities have an effective vehicle for taking action against those who litter.

I turn to the central argument put forward by my hon. Friend—that of tax. He suggested that a tax or a levy should be introduced on the sale price on each packet of chewing gum. I certainly appreciate the apparent attractiveness of such a fiscal measure—as he said, it would be an extension of the "polluter pays" principle—but as my ministerial colleagues in both Houses have said, it would unfairly penalise the vast majority of consumers. I chew gum, but I do not put it on the ground. I put it in the bin. As my hon. Friend seemed to suggest, it would not do anything to change the behaviour of those who litter—those who indulge in the antisocial behaviour that he so graphically described.

Past suggestions have included levies on chewing gum sales to pay for clean-up. Although it is attractive at face value, it is very difficult to quantify, and it is not possible to target the tax on those who cause the problem.

Mr. Allen: My hon. Friend the Minister is right to put the position on the record. We will be writing a manifesto for the next election. He appreciates that all things can change and that representations can be made for eye-catching public initiatives for manifestos if manufacturers of chewing gum feel complacent about the situation.

Jonathan Shaw: My hon. Friend will be aware of the structures within our party and the opportunity for input that has been set out by the Prime Minister. I am sure that my hon. Friend would want some input, and this is certainly something that would warrant discussion within that process.

Buying gum and chewing it is not the problem. Many people use chewing gum from time to time. The problem is dropping it on the ground. Making the product disproportionately expensive for the majority of consumers is therefore not the right answer at this time. The most effective solution is to stop people dropping gum in the first place. That is the sustainable answer. Giving up, and spending more and more money on cleaning up the streets, cannot be the way to go. We are spending too much money on that.

I understand that a non-stick, biodegradable gum is being developed. We want to see that, and my hon. Friend made a good point about it. I understand that Bristol university is developing one, and that the university is in discussion with Cadbury's and Wrigley, which have most of the market share. It is essential that such research is funded and continues, and I shall be meeting representatives from the industry, taking the message from our debate and reflecting the interests of public opinion, which he has described.

Mr. Allen: My hon. Friend the Minister is generous in giving way. I could not have said this two days ago, but given my crash course on chewing gum over the past 48 hours, I can inform him that there is a biodegradable chewing gum manufacturer in Mostyn in Wales, and that Cork university has people who are well into that sort of work. It is technically and scientifically feasible; indeed, the original gum, chicle, was a vegetable substance. There is a lot to play with if the manufacturers want to be serious.

Jonathan Shaw: I take my hon. Friend's point. It is essential to manufacturers to have a product that sells. They want to be able to produce a gum that people enjoy. That is an essential part of the equation. As I say, I shall be meeting them and I will discuss the points raised by my hon. Friend.

I turn to the chewing gum action group. It is easy to take mirth in the group's title, but its work is serious and it has to have a name. The one it has is probably the most appropriate. The group has been working hard, and I am grateful to officials in my Department and people from the industry for the work that they came together to do.

I shall quickly give some background for those who do not know it. The group is chaired by a senior Department for Environment, Food and Rural Affairs official, and it brings together key stakeholders, including the manufacturers of gum, which have provided £650,000 in funding, and others with a key interest such as the Local Government Association and ENCAMS, which runs the "Keep Britain Tidy" campaign.

The group has set out to change the attitudes of people who drop gum and to promote positive behaviour and correct disposal. This year and last, the group worked with partner local authorities to run awareness campaigns in 16 areas, and my hon. Friend referred to some of those. Last year, the amount of gum accumulated went down by 38 per cent. overall as a result of those campaigns. This year, with a stronger campaign visual and a clear message on correct disposal, with the threat of a fine, as well as the benefits of experience, the participating councils are expected to build on that success. I will be able to release those results soon.

Many local authorities run their own awareness campaigns, and the visual used by the chewing gum action group can be made available on request to anyone who wants to run a campaign. To join up, people can go to our website.

In short, when local authorities make good use of marketing, street cleaning and local engagement and enforcement, they can achieve a good result and improvements in gum litter—and, no doubt, in related matters. All that clearly demonstrates that behaviour can be influenced positively, and it provides an alternative to a tax. As I said, we do not want to tax people who do not drop litter.

I have also responded to my hon. Friend's suggestion on the development of biodegradable products, which we all want to see, although the manufacturers clearly need to make one that we enjoy chewing.

To sum up, we all recognise that gum litter is a problem in many areas. Local authorities have tools to deal with perpetrators, including the use of fixed penalty notices and prosecution for litter offences. Local authorities prepared to take the initiative have seen a reduction in gum litter from a combination of targeted campaigning, street cleansing, support activities and effective enforcement. We expect even better results from the chewing gum action group's awareness campaigns this year, and we will release the figures soon.

In 2006, campaign areas saw an average decrease in chewing gum litter of 38 per cent. This is an issue for local authorities and for all citizens. It causes mess and inconvenience. We have made some progress, but nowhere near enough. If I was to walk down Victoria street with my hon. Friend, we would see gum covering the pavements. That is unacceptable, and we will continue to do what we can. We have given local authorities some tools, and we need to ensure that the chewing gum action group makes more significant progress so that we can see an end to such litter on our streets.

In the not too distant future, I hope that we can look back and say that today we made some progress—that we started the public debate here, raised awareness of the matter and achieved some conclusions. I thank my hon. Friend for initiating the debate and for how he made his arguments.

Question put and agreed to.

Adjourned accordingly at ten minutes past Five o'clock.

Westminster Hall

Thursday 13 December 2007

[JOHN BERCOW *in the Chair*]

Asylum Seekers

[Relevant documents: Government Response to the Tenth Report from the Joint Committee on Human Rights, Seventeenth Report, Session 2006-07, the Treatment of Asylum Seekers, HC 790; and the memoranda received by the Committee from the Immigration Law Practitioners' Association, Citizens Advice, the Asylum Support Programme Inter-Agency Partnership and the Asylum Appeals Project.]

Motion made, and Question proposed, That the sitting be now adjourned. *[Alison Seabeck.]*

2.30 pm

Mr. Andrew Dismore (Hendon) (Lab): I should make it clear at the outset that our report did not deal with the question of who should or should not be entitled to claim asylum in the United Kingdom. Our sole concern was the treatment of asylum seekers, whether or not their applications were successful. We focused in particular on access to financial support and accommodation, the provision of health care, the treatment of children, and detention and removal. We also looked at press coverage.

In recent years, asylum seekers have been demonised. Failed asylum seekers are regarded as little more than criminals, but the overwhelming majority of them, including those whose applications fail, are seeking to escape from countries affected by conflict, violence and human rights abuses. China, Eritrea, Iraq, Iran, Afghanistan, Zimbabwe and Somalia were the main applicant nationalities in the third quarter of this year.

Asylum seekers deserve to be treated with dignity, whether or not they are entitled to remain in the UK, and the European convention on human rights applies to everyone within the UK's jurisdiction. Human rights cannot be denied to people who happen not to be British citizens. The Minister might want to confirm that human rights are universal.

It is worth looking briefly at the scale of the problem. Most asylum seekers stay in their region of origin and only a small minority ever reach the UK. The number varies and depends, for example, on the incidence of armed conflict in different parts of the world. The number of applications in the UK peaked at just over 84,000 in 2002, and fell to below 26,000 in 2006. Most applications—70 to 75 per cent.—are refused, and in 2006 some 18,000 asylum seekers and their dependants were removed. Compare that with South Africa, whose population is about the same as England, and which is now home to 3 million refugees from Zimbabwe alone. As far as I am aware, none has been returned.

The number of our asylum seekers is relatively small, yet the issue remains high on the political agenda. Stories of poor administration of applications have been the rule, not the exception, and the public believe that the system is spiralling out of control. A new casework system for managing asylum seekers has been introduced, and perhaps the Minister will tell us how well that is working.

The Government seem to start from the assumption that most asylum seekers who arrive here are economic migrants, and not genuinely fleeing persecution. Policies have been designed to deter would-be asylum seekers from coming to the UK, and to make life as tough as possible for those who do get here. The tabloid press add lurid colour by using individual examples to brand all asylum seekers as freeloaders who demand council houses and welfare benefits, to the detriment of the indigenous population. They paint the UK as a soft touch.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Is it the hon. Gentleman's view, and that of the Committee, that the Government's policies are designed to deter asylum seekers from applying to this country? I happen to share that view, but the Government contest it. I was not sure whether he was saying that that is the Committee's view.

Mr. Dismore: The hon. Gentleman is a member of my Committee, and knows its views. He must wait for me to build up the argument, but he will find that I fairly reflect the Committee's views.

The tabloid press have created a climate in which the human rights of asylum seekers are routinely abused, pretty well with impunity. As a civilised, democratic country, we are both legally and morally bound to protect the human rights of asylum seekers. Refusing an application—and consequent removal if necessary—and respect for human rights are not mutually exclusive.

Jeremy Corbyn (Islington, North) (Lab): Does my hon. Friend concede that among the many barriers facing asylum seekers or applicants to this country is the poor or appalling standard of legal representation that many are given? Lack of access to proper justice at the initial stage of an application means that unfair decisions are often made against genuine and legitimate applications.

Mr. Dismore: My hon. Friend makes an important point, and I shall develop it later.

Our report was published in March this year, and we received the Government's reply in mid-June. To put it mildly, my Committee was underwhelmed by the Home Office's response. The Government failed to engage with the vast swathes of wide-ranging and compelling evidence demonstrating that the significant failings of the system are due not just to procedural inadequacies and incompetence, but to deep-seated prejudice towards asylum seekers, whose needs and rights are viewed as nothing more than an inconvenient hindrance to effective immigration controls. The Government's sole, scratched-record response was to repeat their existing policy. Our concerns were compounded because, all too frequently, we found a yawning gap between stated official policy and its implementation on the ground. That view was more than supported by responses to the Government's reply from a number of non-governmental organisations, which we have published on our website.

[Mr. Dismore]

A good example of the problems associated with support is the Government's approach to section 9 of the Asylum and Immigration (Treatment of Claimants, etc.) Act 2004. At present, asylum seekers aged over 18 and their dependants are entitled to support under section 95 of the Immigration and Asylum Act 1999 if their case has not been finally determined and they would otherwise be destitute or be likely to become destitute. Section 9 of the 2004 Act provides for even that very limited support to be withdrawn as a so-called incentive to encourage asylum seekers to leave the UK. When the Committee scrutinised the original Bill, it warned that that was likely to lead to severe hardship and violation of human rights, particularly if children were taken into care because their parents had become destitute.

Nevertheless, the Government pressed on with a series of pilots. In the June 2007 evaluation, the Minister concluded that section 9 had led to

"no significant increase in the number of voluntary returns or removals of unsuccessful asylum seeking families"

In other words, the Government's policy had failed, but at the price of causing appalling hardship and serious human rights abuse. We heard of families dependent on food parcels from charities, and that at least four children were placed in local authority care as a consequence of that policy, no doubt at much greater expense to the public purse than if they had been given proper support. I am astounded to have to tell the Chamber that the Government have decided to retain section 9 on the statute book for use on a case-by-case basis.

Section 9 simply does not work, so how can the Minister possibly contend that it should not be repealed? How can he square his position with the Government's claim in their response that

"the development of asylum policy should proceed on the basis of evidence."

Does that doctrine apply only when the weight of the evidence supports the Government's view and is not diametrically opposed to it?

Mr. Frank Field (Birkenhead) (Lab): My concern is women who leave abusive husbands or partners and seek accommodation in refuges. There is such a refuge in Birkenhead, but no funds are forthcoming locally to protect those women and their children. Does the report comment on that, and does it deal with the Government's line that there is a moral hazard, and that if help is offered the number of people claiming that they are in that category will rise?

Mr. Dismore: My right hon. Friend makes an important point. We did not specifically consider such cases, which is probably a failure on our part, but we considered the position of children and I shall refer to that later.

Section 55 of the Nationality, Immigration and Asylum Act 2002 enables asylum support to be withdrawn if the claim is not made as soon as is reasonably practicable. By October 2003—the year in which the Act came into force—that rule was responsible for 25 per cent. of all judicial review cases lodged with the High Court. In the 2005 Limbuela judgment, the Law Lords ruled that an asylum seeker's rights against inhuman treatment could be seen to be broken if they had insufficient access to shelter, food or washing facilities. Yet the Home Office continues to use section 55 to deny support to those asylum seekers with accommodation, leaving many reliant solely on ad hoc charitable support.

In the third quarter of 2007, 207 asylum seekers were refused all support under section 55. My Committee believes that that policy does not comply with the House of Lords judgment and we have called for section 55 to be repealed, so I again ask the Minister to justify the use of section 55, if he can. Will he review the draconian impact of section 55 and publish the findings?

We have many other concerns about the rules for accommodation and support for asylum seekers and their implications. If asylum is not claimed at the port of entry, claimants must travel to offices in Liverpool or Croydon, which are possibly huge journeys for penniless people. The offices are open only from 9 am to 1 pm on working days. That is plainly unacceptable. The Government told us that they were considering changes, so will the Minister bring us up to date on what he has in mind?

We heard evidence of such delays in the processing of applications for support, and that people with a valid entitlement were left with neither money nor housing. We mentioned the case of an Afghan who waited five weeks for his due. The Government told us of improvements. They say that 40 per cent. of the most urgent cases are decided within two days, but that leaves 60 per cent. undecided for a longer period, leaving claimants with no financial support. That is morally unacceptable, inhumane and potentially breaks the right not to suffer inhumane treatment. How can the Minister reassure the House that steps are being taken to resolve that? When will all or at least most cases be dealt with within two days?

My hon. Friend the Member for Islington, North (Jeremy Corbyn) raised the question of legal support. The Government rejected our recommendation that legal aid should be available for representation before the Asylum Support Tribunal. There is plainly inequality of arms when the Home Office is routinely represented but the asylum seeker is not, despite probably speaking little or no English and having little or no understanding of the process.

Citizens Advice has subsequently advised us that a represented applicant is twice as likely to succeed at their appeal. The Government told us that the Lord Chancellor—presumably now the Secretary of State for Justice—could authorise exceptional funding for representation under the Access to Justice Act 1999 on the basis of a recommendation from the Legal Services Commission. I therefore tabled a question about the number of such requests authorised since 2004. Surprise, surprise, the answer was a big round number—zero. I urge the Minister to re-examine whether legal aid support could be offered to help people present their cases. Just how much would that cost when there are only 2,500 or so cases a year?

Jeremy Corbyn: I am sorry to detain my hon. Friend, but he has made a very valuable point. I hope that my hon. Friend the Minister is aware that because of this system, many asylum seekers end up being the victims of the burgeoning industry of incompetent representation by unqualified people who often charge as much as £2,000 to represent somebody at a tribunal, knowing that the success rate is likely to be very low because they are unaware of the laws involved.

Mr. Dismore: My hon. Friend makes a very important point. The Committee expressed concern about the shortage of competent immigration advice. The Government acknowledged that the number of contracts had decreased significantly, from 644 in 2003 to 367 in 2006. Perhaps the Minister can give us the most up-to-date figures. We have received further representations from the Immigration Law Practitioners Association, so will he say what the Government are doing to ensure that asylum seekers have the legal advice that they need?

Failed asylum seekers who are unable to leave the UK through no fault of their own can claim accommodation and vouchers for food and other essential living needs under section 4 of the Immigration and Asylum Act 1999. Citizens Advice estimates that the average time spent on section 4 support is nine months. The voucher system is inhumane, inefficient and does not adequately provide for basic living needs.

As an example, we reported the story of a Chinese lady forced to walk 3 miles across town to seek help from a charity, carrying her one-week-old newborn baby wrapped in a towel, because she could not even afford the bus fare, let alone the cost of a pram. We heard of a woman in Leeds who tried to use section 4 vouchers to buy nappies and toiletries for her baby; those vouchers were refused at Morrisons, Asda and Tesco. We recommended that the voucher system should be scrapped and that the appallingly poor standard of section 4 accommodation should be improved.

Mr. Stewart Jackson (Peterborough) (Con): Does the hon. Gentleman agree that the corollary of the use of section 4 is often, as in the case of my Sudanese asylum seeker constituents Ahmed Kamal and Adam Jamal-Edeen, frequent moves throughout the country, which are very disruptive for the individuals and show an obvious lack of administrative control on the part of the Departments involved?

Mr. Dismore: I am grateful to the hon. Gentleman for his intervention to illustrate the point. The fact remains that it is an inefficient system and inevitably far more expensive to operate than a more sensible, cash-based scheme would be. On the question of accommodation, we were told of a mother, father and three-week-old baby who were placed in a filthy, bug-infested room in Leicester. They were dousing their bedding with Dettol and sleeping on wet beds as a result, because of the large bed bugs—they took some to the charity involved to show people how big they were. Action has now been promised to improve accommodation standards, but our recommendation about vouchers was not accepted.

Improved support for the most vulnerable failed asylum seekers is promised. Can the Minister tell us what is going on after the conclusion of the heavily delayed consultation about introducing the necessary regulations? Can he also attempt to justify the assertion that the use of vouchers does not breach articles 3, 8 and 14 of the European convention on human rights?

Asylum seekers may apply for permission to work after they have waited a year for their initial decision, but delayed appeals attract no corresponding right. We recommended that permission should be granted if an asylum seeker has not been able to leave the UK for 12 months or more due to factors beyond their control. The Government's response was to suggest that that would be an incentive for people to come to work in the UK illegally, but apparently there is not an incentive to ensure that the appeals are dealt with more promptly by the Government. Can the Minister justify his assertion that that would be such an incentive?

We found health care for asylum seekers, which has been featuring in the news recently, to be woefully inadequate. Although at present asylum seekers can register with a GP, the registration rules can be difficult to meet, particularly for people in temporary accommodation or sleeping rough. GPs are officially deterred from registering refused asylum seekers as patients. We heard of a Rwandan living destitute on the street. He had bowel cancer and a colostomy bag from a previous operation. The hospital trust refused to provide care without payment in advance, and the local GP refused to register him.

Refused asylum seekers are charged for hospital treatment to deter so-called health tourism by foreign nationals, but we found no evidence of health tourism. What we did find was that the systems were not in place to assess how many asylum seekers had actually been charged for health care and how many had actually paid the bills. Our suspicions were that the game was not worth the candle. We also found evidence of inconsistent application of the charging regulations; some people who were entitled to free treatment had been charged in error.

We were particularly concerned about the misapplication of the rules for hospital maternity services. Maternity care is classed by the Department of Health as "immediately necessary treatment". It should be provided to asylum seekers without payment having to be made in advance. Too often, however, that guidance is not followed and pregnant women are deterred from seeking the health care that both they and their babies need.

Let us consider maternity risks. Newly arrived asylum seekers and refugees are seven times more likely to die than women in the indigenous population, and more than half the migrant women who died had major problems accessing maternity care. We heard of a young Chinese woman turned away by her NHS trust. She was told that unless she could pay several thousand pounds up front, it would not support her through the birth of her baby. She therefore gave birth at home with no medical care, and then both she and her baby were admitted to hospital as an emergency with serious health problems related to the traumatic birth. Once discharged, the hospital continued to send her bills, which frightened her so much that she left home. Her and her baby's whereabouts are not known.

Problems in accessing GPs and secondary hospital treatment inevitably lead to asylum seekers using often hard-pressed accident and emergency departments as their only form of health care, by which time their illness may have become far worse and more demanding and costly to treat. That is unacceptable for the asylum seeker and a burden on the NHS, but there is also a

[Mr. Dismore]

potential impact on public health if asylum seekers with infectious illnesses are not treated expeditiously. We heard of one asylum seeker who collapsed and was taken to accident and emergency. He was diagnosed with HIV and treated for a number of diseases, including tuberculosis. He was then given a bill for £5,000. He was discharged and then, not surprisingly, vanished and did not receive ongoing treatment. The outcome of his TB treatment is unknown. The policy of forcing asylum seekers into A and E also breeds prejudice against them if others in the A and E department believe that they are having to wait longer because the queue is full of asylum seekers as a result of that policy.

We concluded that the justification offered for making refused asylum seekers pay for health care was weak and that the UK could be breaching its article 14 obligations not to discriminate on grounds of nationality. We recommended that primary and secondary health care should be free to all those who have made a claim for asylum while they remain within our borders.

The Government response acknowledged that there are problems in health care provision for asylum seekers. A review is in progress, but recent press reports suggest that the Government seek to go even further and prohibit asylum seekers any access to GPs or other primary care or hospital services apart from accident and emergency. That is exactly the opposite of what we recommended. It fails to meet our country's human rights obligations, puts public health at risk and is unjustifiable due to its impact on overstretched A and E services, which would inevitably receive more asylum seeker patients, again feeding prejudice against them. Can the Minister point to any hard evidence to support the case that failed asylum seekers will leave the UK if they cannot get access to health care? More importantly, can he reassure us that the recent press reports of what would be an absurdly foolish direction for the policy review are wide of the mark?

Mr. Stewart Jackson: On a perhaps tangential point, does the hon. Gentleman agree that prejudice against asylum seekers would have been ameliorated somewhat if, several years ago, the National Asylum Support Service procedures respecting the dispersal of asylum seekers had been undertaken with more local consultation and more transparency, both here in the House of Commons and with local authorities?

Mr. Dismore: I am not sure that the hon. Gentleman's point matches the points that I am making. There were certainly problems with the dispersal procedures at the beginning, and a lot of asylum seekers still gravitate towards London anyway, but I am not entirely sure that the matter meets my points about health care.

We also recommended specifically that the Government should provide free treatment for HIV/AIDS to asylum claimants while they remain in the UK, and that no person in the final stages of a terminal illness should be deported if they would not have access to medical care to prevent acute suffering while they were dying. We were told of a 38-year-old Chinese man whose refugee status had been denied, who had been diagnosed with leukaemia and who needed treatment urgently, but whom no GP in his area would register.

Our recommended course of action may be necessary to meet our duties under the European convention, but it should also be implemented on grounds of common humanity. The Government have agreed that they would not seek to deport someone in such circumstances as I have described, and I welcome that, but no special concessions were made for asylum seekers with HIV/AIDS. What does the Minister see as the implications of that stance for the nation's public health?

I also suggest that if an HIV/AIDS sufferer is deported, chances are that in his home country he could well become dependent on treatment, if it is available, provided by non-governmental organisations supported by international development aid, including aid from our own Department for International Development—in other words, treatment paid for by the UK taxpayer anyway. Government policy shows a lack of joined-up thinking and undermines our otherwise impressive international commitment to help to fight the scourge of HIV/AIDS in the developing world.

On a number of occasions, as in our report, the Committee has called on the Government to withdraw their reservation in respect of immigration and nationality matters to the UN convention on the rights of the child. The convention is intended to ensure that the rights of the child are always paramount. The UK's reservation undermines that key protection and is plainly wrong. We reject the Government's claim that full application of the UN convention would undermine our immigration control. The reservation leaves asylum-seeking children with less protection of rights unrelated to their immigration status, and we believe that it must be withdrawn.

Section 11 of the Children Act 2004 places a duty on public bodies in discharging their normal functions to have regard to the need to safeguard and promote the welfare of children, and to ensure that services are provided with regard to that need. Among the bodies excluded from that duty, however, are the Border and Immigration Agency, the National Asylum Support Service and immigration removal centres. We recommend that section 11 should apply to those bodies. The Government plan to develop for them a code of practice for safeguarding children, but can the Minister explain why the protection of children by the BIA and related organisations should not be put on a statutory footing?

We criticised the inadequate support and accommodation available to unaccompanied asylum-seeking children and the strain on local authorities. Authorities whose areas contain major ports of entry experience disproportionate demand. The Government have acknowledged that, and proposals for improvement have been subject to consultation. Will the Minister report on progress?

We recommended that a formal system of guardianship be required for unaccompanied asylum-seeking children to meet the requirements of the EU reception directive, but the Government rejected our view, claiming that separated children are provided with appropriate support by local authorities. I urge the Minister to reconsider. A more formal system would be more appropriate and cost-effective in ensuring that children get the support they need. Our recommendations concerning children could be taken up by the Children and Young Persons Bill. Although the Bill requires that an independent person should visit all looked-after children, the requirement excludes asylum-seeking looked-after children. Why are those children to be excluded from measures that the Government believe are necessary to help other looked-after children?

Where a child asylum seeker's age was in dispute, we took issue with the use of X-rays and other medical evidence in reaching a decision. The view of the Children's Commissioner is that X-rays are not helpful in assessing a child's age. The Government acknowledged that more work was needed on the matter, particularly following detailed research by the Immigration Law Practitioners Association. Will the Minister provide us with an update?

During our inquiry, we visited Yarl's Wood immigration removal centre. Subsequently, we have received disturbing letters from a women's group there about conditions at the centre, especially since the contractors managing it changed at the start of the financial year. If that is the case, how have the recent problems at Yarl's Wood been resolved?

We identified a clear gap between Government policy and practice on the ground. In general, the Government's view is that their policies and procedures comply with the European convention on human rights, but we found plenty of evidence of potential human rights abuses. For example, vulnerable adults should be detained only in exceptional circumstances, but we found evidence of detention without any assessment of vulnerability.

The detention system often makes little or no assessment of the welfare of children, whose detention can last for lengthy periods. When we visited Yarl's Wood, there were 32 children at the centre, seven of whom had been there for more than 28 days. Although the Government state that every effort is made to minimise the disruption and distress caused to children, there is strong evidence that that does not happen in practice. We heard of a family subjected to a raid in which officials barged into their home at 6 am. The 11-year-old son was asleep, but his parents were not allowed to wake him up—the officials did so, which proved very traumatic for the child. At the detention centre, the boy was so frightened that he locked himself in the toilet, refused to come out and would communicate only by notes under the door. The family were eventually released, but any knock on the door now terrifies the boy.

Only asylum seekers who are readily removable should be detained, but we found that, when the decision to detain an asylum seeker is being made, insufficient attention is given to considering whether that person can be removed. We heard at Yarl's Wood that one woman was released in December 2006, after 23 months—almost two years—in detention.

We found problems with the health care and legal advice available to detainees. We were even told of two cases in which breastfeeding mothers were detained separately from their babies. We were also concerned about inadequate judicial oversight, particularly in relation to the duration of detention. We were told of an asylum seeker from the Democratic Republic of the Congo who spent 10 months in detention and was twice threatened with illegal removal. Once he was even taken to Heathrow in handcuffs, despite the fact that his case was still before the court. Luckily, he borrowed an immigration official's mobile phone and called his solicitor, who obtained an injunction to secure his return, but he was then classed as a difficult case and certain sanctions followed.

Our criticisms about the speed with which detention is effected and the dawn raids on families with which we are all familiar have been made by others and are well known. At Yarl's Wood, we met a Pakistani man, his wife and their eight and 10-year-old children who were detained at 6 am. They were moved around between detention centres, involving an eight-hour journey from Scotland to Yarl's Wood in a freezing van with only one stop at an airport on the way. We spoke to a Jamaican woman who had been in the UK since 2000 and was detained with her eight and 10-year-old children—30 police officers had arrived to detain them.

There are far too many reports of excessive force and lack of sensitivity in removals. At Yarl's Wood, I talked to a woman with a seven-month-old baby. She and the child were taken to the airport at no notice—she was given no chance to get a jumper for the child, change its nappy or collect any baby milk. After a night at Heathrow, she was not removed, but returned to Yarl's Wood.

Although the Government's response explains that immigration officers are trained in conflict management, it makes no mention of the private contractors who are often responsible for removals. Perhaps the Minister will explain what is being done to ensure that they do not use excessive force and that performance targets do not lead to unnecessary or poorly planned removals. Will he also explain what the Home Office is doing to ensure that its detention and removal policies are implemented?

The main and overarching conclusion of our report is extremely disturbing—even, I would say, shaming. We found that the result of Government policy towards asylum seekers is widespread destitution. All too frequently, the circumstances are so bad that they breach the article 3 convention threshold for inhuman and degrading treatment. That applies at all stages of the asylum process, from when individuals make a claim to consideration of the claim—and the period after refusal, should they be unable to return to their country of origin.

Many witnesses told us that they were convinced that destitution is a deliberate tool in the operation of immigration policy. I regret to say that we were persuaded, on the overwhelming weight of evidence, that the Government have indeed been practising a deliberate policy of making that highly vulnerable group destitute. Such deliberate use of inhuman treatment is utterly unacceptable. We have seen and heard of far too many cases in which the Government's treatment of asylum seekers and those refused asylum falls well below the requirements not only of international law, but of our traditional British common-law values and legal principles of humanity.

That is a serious charge, and it is not made lightly. We reached that view only after hearing many witnesses, reading volumes of evidence and visiting Yarl's Wood, where we could talk freely with detainees, including their detained children. The accounts of their treatment were deeply depressing. Such things should not happen in a civilised society.

[Mr. Dismore]

The Government rebut our conclusion, claiming that

> "genuine asylum seekers are welcome".

However, that assertion cannot stand against the evidence given to our inquiry. I urge the Minister to reflect on our findings, the array of evidence and the transcripts that we published, as well as the arguments that I advanced in the report and repeated today.

I plead with the Minister to reconsider his view that that we respect the human rights of asylum seekers in this country. Any civilised society should be able to treat asylum seekers with respect and dignity, even if they are refused leave to remain and are to be removed.

The final issue that we considered was the role of some of the press in demonising asylum seekers. We are very concerned at the negative impact of such relentlessly hostile reporting. We recommended that the Press Complaints Commission should provide practical guidance to the media on the reporting of asylum issues, and that the Home Office should encourage newspapers to act more responsibly. We also recommended that Ministers should use measured language when discussing asylum matters. The Government response dwelled on the positive impact expected from the restructuring of the Home Office and the creating of an overarching communications strategy for the Department. Perhaps the Minister will tell us whether he thinks that that has worked out in practice. From my reading of the tabloids, it seems somewhat unlikely.

In conclusion, asylum seekers are one of the most vulnerable groups in the UK. Victims of abuse and ill treatment in the country of origin, they come to the UK in search of sanctuary and a better life. We fully accept that many may not have a genuine claim to asylum and ought properly to be denied a permanent home here. However, that does not permit us to treat them so poorly or to abuse their human rights.

Our inquiry's findings were stark but clear: our country routinely abuses the human rights of asylum seekers. In our view, asylum seekers are sometimes treated so appallingly that we fail to meet our obligation under article 3 of the European convention to protect them from inhuman treatment. Worse, that is the inevitable consequence of asylum policies developed over recent years.

Self-evidently, treating asylum seekers humanely may not be a popular cause, but meeting our human rights obligations does not mean accepting more asylum seekers into the country. Human rights are universal; they apply equally to us all. Who knows when we might need those rights ourselves? Observing that principle is not only the law, but the right thing to do.

Whether the Minister likes it or not, an asylum seeker, failed or otherwise, is not a file of papers or a Home Office reference number. The asylum seeker is a human being, possibly even an orphan child whose parents have died from AIDS or were killed in one of the many conflicts in the developing world. That human being's only fault is to take at face value the Government's assurance that those fleeing death, torture and persecution are welcome. Contrasting the meanness and nastiness of our current record with the more generous historic tradition of decency and fair play shows that asylum seekers are clearly not welcome at all.

3.5 pm

Mr. Neil Gerrard (Walthamstow) (Lab): As my hon. Friend the Member for Hendon (Mr. Dismore) said, the debate is not about who is or is not given refugee status; it is not about the decision-making process. We may have very different views on how efficient that process is, whether decisions are fair and how many people should or should not be given refugee status, but irrespective of those, I hope that we would agree that while such people are in the United Kingdom, whether they are given asylum or refugee status or whether it is decided that their claims are not justified and that they should be removed—whatever the conclusion—we should ensure that they are treated humanely and that their human rights are upheld.

Parts of various Acts specifically relate to destitution—section 55 of the Nationality, Immigration and Asylum Act 2002, section 9 of the Asylum and Immigration (Treatment of Claimants, etc.) Act 2004, and section 4 of the Immigration and Asylum Act 1999. Section 55 of the 2002 Act allows support to be refused to someone who has claimed late. The Government's view in their response is that support is not refused to anyone who does not have alternative support, but that does not match the evidence that I have seen of people refused under that provision. Although the numbers involved are relatively small, as my hon. Friend said, it is one of the decision-making areas that is most challenged—and often successfully challenged—through judicial review.

Section 9 of the 2004 Act has so far been applied only as a pilot. The review undertaken by the Border and Immigration Agency said that it was not effective as a stand-alone measure, but it then said that reforms or enhancements to the arrangements for voluntary return might suggest that it should be retained. The Government have not yet given a real decision on that, and they have the power under a later Act to repeal section 9. The very fact that that power was given indicates that they had doubts about whether it is effective. Otherwise, why take the power to repeal it?

The BIA review did not seem to conclude that section 9 was not effective on a stand-alone basis. It suggested that the provision did not have much effect, and that when it did it was probably negative. The review compared a cohort of people being dealt with under section 9 with a similarly sized cohort who were not. It found little difference in the number who applied for voluntary return; it found little difference in the number who were removed; but it found a significant difference in the number of people who disappeared. Of the 116 cases in the cohort being dealt with under section 9, who should have been reporting to the immigration service or making contact with asylum support officials, 39 per cent. were no longer in contact at the end of the pilot, whereas in the control group it was just over half that number.

It seems that section 9 has a negative effect, encouraging people to disappear. On that basis, it is difficult to see why section 9, which is very clear and simple in providing for the withdrawal of all support, would be any better in an enhanced system of voluntary removal. Indeed, I think that its effect will be exactly the same as in the pilot. It would be useful if the Minister could tell us when we might expect a decision on the future of section 9. If it is not going to be used, let us use the powers that are in place to remove it from the statute book.

I have heard the argument that there is no policy of enforced destitution, but there is no question but that destitution has been the consequence—

3.10 pm

Sitting suspended for a Division in the House.

3.23 pm

On resuming—

Mr. Gerrard: Although the Government say that there is not a policy of enforced destitution, destitution is the result of what has been happening. That is not new. Over a long period, under successive Governments, the view has been taken that making things tough will deter people from coming here and making false asylum claims.

I recall the Asylum and Immigration Act 1996, when the Tory Government put forward their proposals to remove all financial support from anyone who claimed asylum inside the country, as opposed to the port of entry. That was clearly intended to deter people from coming to make claims. An unexpected consequence was that, following court cases, local authorities had to start supporting asylum seekers. Each successive Act since then—the Immigration and Asylum Act 1999, the Nationality, Immigration and Asylum Act 2002, and the Asylum and Immigration (Treatment of Claimants, etc.) Act 2004—has contained sections clearly intended to deter people from making claims, or from remaining in the country after refusal of a claim, by removing financial support. In the late '90s the policy of voucher support in place of any cash at all for all asylum seekers was introduced. I remember the arguments. Lord Morris of Handsworth, who is now a member of the Joint Committee, was centrally involved in getting that scheme scrapped.

The rationale behind all those provisions—section 4 of the 1999 Act, section 9 of the 2004 Act, section 55 of the 2002 Act, and voucher support in place of cash—is that it will deter people from making false claims. It will keep the application numbers down. I do not believe that there is evidence to support that view.

Dr. Evan Harris: The hon. Gentleman makes an important point, and he uses the term "false claims." Part of the problem, of course, is that that term can cover unsuccessful claims made in good faith, as well as those made in bad faith that turn out to be unfounded. Neither type of claimant seems likely to be deterred, because someone making a claim in good faith does not know that it will be considered unfounded, and false claims are often made on behalf of the people concerned. It cannot be right to punish children for claims made on their behalf by those with responsibility for them.

Mr. Gerrard: That is absolutely right. If we consider the matter just in terms of numbers of applications, which has been the tendency, a graph of those numbers going back several years makes it easy to say, "Ah yes. That year was Bosnia, and that one was Kosovo." That is what really affects the number of applications. The argument that being tough and removing financial support will deter someone from coming here does not work.

The same applies to the argument, which is dealt with in the report, about permission to work—the suggestion that if we were to give permission to work, particularly to people whose asylum claims have failed but who have been here, and are likely to be here, for a considerable time, it would act as a pull factor. We used, of course, to give people permission to work when their asylum cases had not been decided after six months. The period is now a year. Given that the vast majority of asylum claims are now dealt with in less time, and we have speeded up the decision-making process considerably compared with 10, 12 or 15 years ago when people waited years for a decision, the number of people affected, who are making claims, will be fairly small. However, there are real concerns about the people whose asylum claims have failed and who remain here.

There are several thousand people on section 4 support, and many of them will be people whom the Home Office and the Government accept cannot safely be returned, at the moment, to their country of origin. That is why they are given section 4 support—it has generally been accepted that they cannot, for the time being, be safely removed. Of course, to get section 4 support, people must sign a paper indicating that they are willing to return when it becomes possible. The vast majority of failed asylum seekers are not on section 4 support, and they get nothing. Those are often the people who end up destitute.

When we know that someone is likely to be here for a considerable time, because there is no obvious prospect of returning them to their country of origin, why on earth do we not give them temporary permission to work, as the Committee suggested? That would give them something useful to do with their lives, and even if they are going to return at some point, acquiring skills and work experience while they are here could be of significant benefit to them when they return to their country of origin. In the queue of what the Home Office now describes as "legacy cases" there are many failed asylum seekers, and it is estimated that it will take five years to work through that queue. Are we simply going to leave these people in limbo for five years?

The answer is not to say that people can work voluntarily. How do they get to the place where they are supposed to be volunteering if they do not have any cash—if they are on section 4 and on vouchers or if they are not on section 4 and have absolutely nothing? It is a matter of treating people with dignity while they are here, even if they are going to be removed. I lose count of the number of people I see in constituency surgeries who have reached the point of having their claim rejected and losing their appeal, by which time they may have been here for months and years, although nothing has been done about removing them back to their country of origin and they are relying on family, friends and relatives for support.

On health care, which my hon. Friend mentioned, there is a review of access to the NHS. That joint review by the Home Office and the Department of Health was supposed to be published in October, but we are still waiting for it. He referred to the effects of

[Mr. Gerrard]

the current restrictions and said that it is not just the people who should be subject to those restrictions who are affected by them, but that sometimes people who should not have restricted access to health care are also being denied it. That is not really surprising. It is pretty obvious that a health care worker, particularly someone sitting on the front desk, will not know the immigration rules in sufficient detail to be able to identify whether a person's immigration status should prevent them from accessing certain treatments, and wrong decisions will be made.

I understand perfectly well that we cannot act as the national health service for the world. We cannot operate the NHS on the basis that anybody can come here at any time they like and obtain free treatment. However, the evidence that people come here to claim asylum for health tourism reasons is virtually non-existent. I have never seen any evidence that supports that case. There has not been a great deal of work done on that, but one piece of work I am familiar with is a survey of patients by the Terrence Higgins Trust, which looked at people who had come here from overseas and had been diagnosed with HIV after they had arrived. The survey showed that, in virtually all cases, people diagnosed with HIV had been here for a considerable time before being tested and diagnosed. They went for testing when they became ill. The logic of someone being a health tourist is that they would ask for an HIV test within a fairly short time of being in the country, but that is not what happens.

We have reached the point at which we are saying that someone infected with HIV who is a failed asylum seeker or is here without proper immigration status will be denied treatment. That raises serious questions, including serious ethical questions for clinicians, who do not want to be in the position of denying treatment to someone who is ill. We know from work that has been done—from what clinicians tell us—that that leads to people not coming forward for testing and giving up on treatment because they think that they will be charged. That leads to their getting much more seriously ill and then going to an accident and emergency department, by which time they are far more expensive to treat than they would have been in the first place. There are pragmatic cost-benefit reasons for not denying people treatment in those circumstances.

There are also some clear public health arguments. On HIV, for example, which I am quite familiar with and on which I do a lot of work, we know that if somebody is infected and is undiagnosed they are much more likely to pass on that infection to someone else. That someone else is not necessarily a failed asylum seeker; it could be anybody. When looking at the cost of treatment, it is nonsense, on public health grounds, to leave people with serious medical problems undiagnosed and untreated. Although the report is about asylum seekers, it is not just about failed asylum seekers, but about other people who have not got legal immigration status. If, as is intended, the new systems of immigration control come in, there will be much tighter crackdowns on illegal employment and more and more people in such a situation will be thrown up.

I echo what my hon. Friend said: it would be a disaster to extend this measure to primary care, because it would compound the problems for the individuals and for public health and would put a lot more pressure on accident and emergency departments, because that is where people will eventually turn up when they have become seriously ill and much more expensive to treat.

Finally, I should like to say something about children. I know that you are familiar with the detention of children, Mr. Bercow. A report was produced by the all-party groups on children and on refugees that suggested to the Home Office and the Government that they ought to be looking for alternatives. That report made some practical suggestions about alternatives to detention that could be considered, and it mentioned the sort of systems that have been used in other countries, which appear to work successfully, particularly in keeping families who may be subject to removal, in touch with the Home Office and immigration officers. A pilot, which has been started in Kent, is looking at some alternatives. I hope that the Government will pursue that and consider expanding it because, as my hon. Friend said, the numbers of children in detention and the length of time that they are kept there is unacceptable.

We all understand that it can be difficult to remove a family with children. I accept that there may be circumstances in which some pretty tough, nasty decisions have to be made by Ministers. However, we do not need to keep children in detention for long periods. On 30 June, 35 children were in detention—mainly in Yarl's Wood—10 of whom had been in detention for more than a month. Save the Children came up with cases of families with children that have been in detention for more than six months. I do not think that any of us should find that acceptable.

This valuable report has looked in some depth at difficult areas and has produced recommendations. However, I am disappointed in the Government response because, having read it, it is difficult to find any of the recommendations that have been fully accepted and will be implemented. I hope that Ministers will think again about some of their views on the report's recommendations.

3.39 pm

Mr. Stewart Jackson (Peterborough) (Con): It is a pleasure to contribute to this debate under your chairmanship, Mr. Bercow. It is also a pleasure to follow the hon. Member for Walthamstow (Mr. Gerrard), whose passion and sincerity will be sorely missed when he retires at the next election.

A report produced in June by the Peterborough and Whittlesey Amnesty International group contains a foreword by Cardinal Basil Hume, who said:

> "The reception given to those applying for asylum is an illuminating indicator of the state of a nation's health."

I think that that is certainly the case. With the indulgence of the Chamber, I shall focus on my experiences with constituents of mine to whom I alluded earlier—Ahmed Kamal and Adam Jamal Eedeem—who are Darfuri asylum seekers. Many of the points made by hon. Members resonate with my experiences in dealing with those constituents' issues. Tragically, they were subjected to one of the most appalling acts of genocide that the world has ever seen—in Darfur. You will be familiar with that, Mr. Bercow. It was one of the worst events in

Africa's history. They have been in the United Kingdom for four years, having been dispersed to my constituency of Peterborough.

It would be remiss of me not to pay tribute to those who have assisted my constituents so ably over the years, such Andy Hewett of Peterborough Red Cross group, Jo Erskine, a constituent of mine and a member of an Amnesty International group, the Aegis Trust, with which hon. Members will be familiar, the Red Cross nationally and New Link. Members might know that in 2000, Peterborough was designated an asylum seeker dispersal centre. The New Link centre was set up in 2003, for which I give the Government credit, in order to bring together nine discrete projects concentrating on asylum seekers and refugees. We have had funding difficulties, but those involved have focused on asylum and tried their best to deal with legal representation, assimilation, language skills and other such issues. I am pleased to report to the Chamber that funding for that organisation will continue over the next year or so, under the leadership of Leonie McCarthy, who is a member of the Commission on Integration and Cohesion.

I agree with much of the report. I am pleased that we are not getting into a debate on global immigration and asylum matters—about the numbers and about who is right and wrong. Those are different issues, on which I have robust views. I would not describe myself as an archetypal lily-livered liberal on this issue. However, this debate is about competence and efficiency. It seems to be a strange system whereby Amazon can deliver books more efficiently than we can deliver, look after and administer sentient human beings from all over the world. Whatever party is governing this country, we must get that right. I do not believe—I take issue with the Committee Chairman on this—that there is a systematic and deliberate policy to cause destitution under section 4. I do not think that any Government could be responsible for such a thing. The Government have tried to do their best in difficult circumstances, although I think that their response to our report was insufficient.

I shall focus on the cases of the two gentlemen whom I mentioned earlier. It cannot be a sensible system that throws people on the mercy of sometimes second-rate legal representation. People are trundled around the country and often receive very poor representation. They are not in a position as stakeholders to have any real influence with many legal firms, and are put to the bottom of the pile. That means huge delays and inadequate representation, which cannot be good for the public purse and certainly is not good for expediting their cases with alacrity. The Government need to look very carefully at such legal representation, particularly in the cases of my constituents, who are of Sudanese extraction.

On the collation of medical evidence, it should not just be about someone's ability to travel to London to be assessed by, in the case of my constituents, the Medical Foundation for the Care of Victims of Torture. There must be a more systematic way in which to provide adequate medical checks and collate the medical evidence, which is an intrinsic part of asylum claims for refugee status.

Housing is another issue. The Amnesty International group's report, "Asylum Seekers in Peterborough" states:

> "Due to the type of housing stock many single asylum seekers are dispersed to Peterborough. Individuals are required to share houses and sometimes share bedrooms. Typically people mentioned five people sharing houses provided by NASS and also providing shelter for destitute friends who have had their support cut."

That is really important, as is the problem of people having to move houses constantly. It cannot be good for the provision of social housing for local authorities constantly to have to move people at the behest of the appropriate Government Department.

I shall touch on English as a second language, which is a key issue. If we want to receive people who are legally entitled to refugee status, and who wish to make a proper contribution to the Exchequer and to be good, decent, hard-working citizens of this country, it does not seem sensible to handicap them by not offering them any assistance in learning English as a second language. I know that that is a bigger issue. No doubt the Minister will say that his colleagues in the Department for Communities and Local Government are looking into it. However, this seems to be an example where joined-up government does not exist.

I shall touch on an Appeal Court decision in April of this year. I received a comprehensive and well-argued—one might say—letter from the Under-Secretary of State for the Home Department, the hon. Member for Hackney, South and Shoreditch (Meg Hillier) on the case in question, which dealt with whether it is appropriate for Darfuri asylum seekers to be repatriated internally to Khartoum and whether that would protect their human rights under the 1951 convention. I contend that the Government have interpreted that decision very narrowly when considering what those people were doing when they applied for asylum—that they were farmers, but they could have gone to a city such as Khartoum internally. That seems fundamentally to disregard the main issue, which is that they were the subjects of torture, surveillance and other manifest human rights abuses. I believe that the over-interpretation of that legal ruling needs to be reconsidered, and I would be interested to hear the Minister's view on that.

We need to look at this important issue and the everyday experiences of my constituents. They remain in this country and have not been arbitrarily deported, but they are suffering a miserable existence. It is incumbent upon a compassionate and—dare I say it? Perhaps the hon. Member for Oxford, West and Abingdon (Dr. Harris) should cover his ears—Christian country to focus on people's human rights and to treat them decently. I hope that the Government will look specifically at my constituents' cases. The Minister has been helpful in the past and written to me on a number of occasions. I might trouble him for a meeting in the near future.

3.48 pm

Jon Cruddas (Dagenham) (Lab): I am pleased to follow what I thought was a thoughtful and nuanced approach by the hon. Member for Peterborough (Mr. Jackson). More specifically, I am pleased also to follow the contributions from my hon. Friends the Members for Walthamstow (Mr. Gerrard) and for Hendon (Mr. Dismore), who covered most of the issues that I wanted to cover, and from a position of professional rigor and deep understanding. I confess

[Jon Cruddas]

my amateur status on some of these things, but as a confessed generalist, I shall make a couple of points from my perspective as a constituency MP—a localised perspective on suffering experienced by some people. I will suggest that there is a demand for an alternative public policy response to remedy the profound difficulties experienced by some people.

Two points in particular struck me about the report. There is the acknowledgement, which has been mentioned by some colleagues, that the threat and use of destitution is a tool of Government policy. Paragraph 120 of the report states:

> "We consider that by refusing permission for most asylum seekers to work and operating a system of support which results in widespread destitution, the treatment of asylum seekers in a number of cases breaches the Article 3 ECHR threshold of inhuman and degrading treatment. This applies at all stages of the asylum claim process: when an individual is attempting to claim asylum, during the period of consideration of their claim and during the period after their claim is refused if they are unable to return to their country of origin. Many witnesses have told us that they are convinced that destitution is a deliberate tool in the operation of immigration policy. We have been persuaded by the evidence that the Government has indeed been practising a deliberate policy of destitution of this highly vulnerable group."

I also want to focus on recommendation 15, which has been alluded to in previous contributions. It states that

> "asylum seekers should be able to apply for permission to work when their appeal is outstanding for 12 months or more and delay is due to factors beyond their control. Also, where he or she would not be able to leave they should be granted limited leave to remain with permission to work."

I stand here as a supporter of the Still Human Still Here campaign, which wants to end the process of destitution of failed asylum seekers. The organisation includes a group of refugee, migration and human rights organisations, faith groups, anti-poverty campaigners, charities and many individuals. My hon. Friend the Member for Walthamstow and I were very fortunate last week to be involved in a debate following the parliamentary screening of a new film, which can be viewed on the Amnesty International website. The film focuses brilliantly on the plight of failed asylum seekers in this country. Referring to both personal testimonies and stories, it is a way-in to analysing a group that is quantified to be in the order of 283,000 cases.

My hon. Friend the Member for Hendon emphasised the preponderance of failed asylum seekers in London, which is where I come from. My involvement in the campaign is a direct product of my own experiences as a local MP. Since I was elected in 2001, there has been an extraordinary growth in the casework that surrounds failed asylum seekers. I see a whole series of different elements. I have had many cases in which people have come to me with accounts of extraordinary abuses at the hands of unscrupulous employers. Destitution forces them into the hands of such people. I have also heard of extraordinary cases of appalling landlordism, which I thought we had removed from this country. Thanks to issues of demography, migration and the plight of failed asylum seekers, we are witnessing forms of landlordism that I thought we would not see in London in 2007.

The problem is interlinked with forms of criminality and organised criminality in which the most vulnerable are abused by gangs in an organised and systematic way. At the same time, many of those individuals have experienced quite shocking bureaucratic systemic failures by the Home Office over many years. They have often been prey to appalling legal advice and modern forms of banditry in the legal profession. More often than not such individuals come from war-torn, or very unstable, countries and quite often their cases are interlinked with physiological problems and a lack of access to decent quality secondary health services.

Amnesty and the Still Human Still Here campaign have emphasised the profound problems of mental health that go with the whole package. Many MPs—I have hundreds and hundreds of cases—hear of quite appalling compound abuses. It is incumbent on public policy makers to come up with a response that tries to relieve, for simple purposes of humanitarianism, those appalling situations. That is why the Government's policy has been described as a form of "formal destitution." It forces people into that situation as a remedy for the political debates on asylum and immigration. I am extremely uncomfortable with that, especially as a member of the party that is in government. That is why I think that the report's contribution is so important. It tries to provide an alternative analysis that goes against the grain of some of the orthodoxies and political debates around asylum, immigration and demography. If it is a systematic policy to use destitution as a key element of public policy, the situation is likely to get worse if we are to believe some of the things that we read in the newspapers.

On Sunday 2 October, *The Observer* carried a front page story, according to which the Home Office was allegedly pushing for further restrictions on health care provision to cover primary care. We see the image of queues of migrants with no status, and failed asylum seekers at accident and emergency, often in the most abject physiological condition, and that is supposed to remedy problems of community cohesion. I do not understand how that will relieve some of them in communities such as mine, especially in terms of the work of the far right and the deep problems that exist. I do not see how a further reduction in access to primary care will help to increase immunity levels across the country. It is self-evident that quite threatening conditions are likely to remain unchecked among many people in the community.

The other week, I was at a debate in which my hon. Friend the Member for Walthamstow talked about the stated Government objective of universal access to antiretroviral drugs internationally. At the same time, however, the consequence of their position is to deny such drugs to failed asylum seekers in this country. I think that is worth thinking through. That is why the report is so important. I do not want to get caught up in a numbers game with regard to the estimates of failed asylum seekers. I deal with literally hundreds and hundreds of cases all the time, and the appalling situation that such people face demands an alternative series of remedies.

The report can be seen alongside growing evidence of the plight of destitute asylum seekers. Evidence has been compiled by organisations such as Amnesty International, Refugee Action and the Joseph Rowntree

Charitable Trust. To date, the Government response has focused solely on removals. A rate of removal of some 26 minutes implies a 14-year span to deal with the consensus estimate of 283,000 cases. The unit cost of an enforced removal is around £11,000.

My departure point is that the Government have a moral responsibility to ensure that no one in the UK is destitute. As such, refused asylum seekers should be supported up to the point of removal. The counter-argument in the Government's response is to do with pull factors. As far as I can see, very little evidence emerges of the pull factors, such as welfare provision or health care. In the response to the Joint Committee on Human Rights, the Minister was unable to provide any empirical evidence that such pull factors existed. He said that he had arrived at his decision on the basis of logic. The Home Office has reported that over the past decade

> "while there was a disparity in the reception and welfare support provided for asylum seekers in the EU, the level of benefits varied only slightly between comparable welfare assistance regimes. Yet application rates varied considerably, suggesting that other factors"

than welfare provision

> "were more likely to account for variations in asylum applications."

The Institute for Public Policy Research referred to

> "the absence of any evidence that access to welfare benefits or employment are significant 'pull' factors influencing the decisions of asylum seekers."

My concern is about community cohesion. A Government adviser, who does not work for them anymore, once described the strategy to me: it was to choke off the space for the right to operate by providing a tough regime for failed asylum seekers. We should deal with the far right not by compromising our basic humanitarian disposition in dealing with the most vulnerable, but by dealing with the far right organisationally. Witness what has happened to it over the past few hours—as we have been speaking. The British National party is collapsing internally, and we have called for a police inquiry into internal criminality, which I think will undermine its capacity to feed on such issues. We should not provide oxygen for it to thrive by moving the terms of the debate further to the right and demonising the most vulnerable in society. Therefore, I welcome the report. It is a profoundly important contribution to public debate.

4 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): We have had an excellent debate on an excellent report. I confess an interest, in that I am a member of the Joint Committee on Human Rights, and I was a member when it conducted its investigation.

I congratulate the hon. Member for Hendon (Mr. Dismore) on how he handled the inquiry and on how he introduced the report today. He gave a clear exposition and held nothing back in criticising Government policy where the Committee had agreed that that was appropriate. It is important that all hon. Members speak home truths to the Government on the issue: let us face the facts—there are very few votes in a humane, reasonable and evidence-based policy on asylum seekers.

A Select Committee can play an important role by taking the issue outside party politics, considering it in depth, and, in the case of the Joint Committee on Human Rights, using the expertise in the House of Lords, giving the Government plenty of time to provide written and oral evidence, and then coming up with a unanimous and considered view. It is important that we use these debates to ensure that the Government are held further to account—beyond simply the report's publication—through questioning. I hope that there will be time for the Minister to give a detailed response, and indeed, time for us to question him on it.

We have heard useful contributions from other hon. Members. I shall make a few points, comment on their observations and end with a few questions for the Minister. I must declare a further interest. I am a member of the British Medical Association ethics committee, which has considered the issue and made representations to the Government on some of their health care proposals.

One must start by commenting on the Government's response to the report. We will come on to discuss their policy, but their response was deeply disappointing. When there are severe criticisms of the Government, one would expect their response to the recommendations to be longer than the paragraphs that make up those recommendations, but in many areas it was shorter.

The Government indicated their failure to engage with the specific issues by lumping together a series of recommendations. For example, from page 15 onwards, their response on health care lumped together recommendations from paragraphs 16 to 20 and 22 to 25, which all deal with different issues—otherwise, they would have been in the same paragraph. The Government responded to them, except with an additional paragraph—paragraph 19—in seven short paragraphs. It should not be necessary to get out a ruler: a one-page response to almost two pages of recommendations is deeply depressing.

It would have been an incredible feat of draftsmanship if such a short response to such a long series of recommendations had engaged with the issues, and it was not a well-crafted response anyway. It showed a complete failure to engage not only with the arguments, but with the evidence. The report cited significant amounts of evidence and raised several questions, and it is deeply depressing that the Government failed to engage in detail with our recommendations or with the evidence.

The Government simply repeated their existing policy. The Committee considered their policy when making its recommendations, so repeating the policy does not take the issue any further forward. The Select Committee reports process is rather undermined when such an unsatisfactory response is made. That accounts for the tone and content of the introductory speech by the Chairman of the Committee, the hon. Member for Hendon. The other members of the Committee share his concerns, because we know how frustrating it has been to receive an almost peremptory response to many of our recommendations. That is not to say that what little there was to welcome is not welcome, but the Chairman was right to spend so little time identifying the welcome responses to the report, because identifying them was very hard.

[Dr. Evan Harris]

The Minister is engaging and capable of mounting an argument. He accounted for himself very well during the oral evidence session, and it is hard to believe that he would have signed off something that did not include more argument, because we know that he is capable of doing so, and we look forward to hearing whether he can add more to the report shortly.

One of the report's first recommendations was that asylum policy should be based on evidence, and several Members have already said that on just one Government policy—the section 9 pilot—the Government have turned against their own evidence-gathering procedures. The report on the section 9 pilot, as the hon. Member for Walthamstow (Mr. Gerrard) said, made it clear that it was not working and might even be counter-productive, but the Government's response was that they will continue to implement it case by case—as if it was not done case by case previously, or as if case by case is anything different.

The Select Committee on Science and Technology, on which I serve, issued a report on evidence-based policy-making congratulating the Government on talking the language of, and sometimes delivering on the plea for, evidence-based policy. The Government then argued that they will pilot initiatives, and that if they are unsuccessful, the policy will be changed. I believe, and the report set out, that Opposition parties should not then attack the Government for U-turning.

4.7 pm

Sitting suspended for a Division in the House.

4.21 pm

On resuming—

Dr. Harris: Before the Division, I was discussing evidence-based policy making and saying that Opposition parties need to ensure that, when pilots are carried out—or, even better, when trials are carried out, as the word "trial" implies some thought having been given to the design of the research in a research context—they do not criticise the Government for performing a U-turn if, as a result of the pilot or the trial, they change their view. However, the first thing to say is that the Government must not bother piloting something if they are not going to accept the results of that pilot.

I do not understand how the Home Office, which now has a chief scientific adviser, can have that chief scientific adviser holding his head high and saying that Home Office policy will be based on evidence when we have an example of this kind. Perhaps the Government can explain further why they continued with the policy in the face of the evidence that they themselves gathered. It is probably even worse to collect evidence about a subject, find that it does not match the policy and then continue the policy, than to implement a policy without checking for the evidence. That just undermines the process and the faith that everyone involved in evaluating the pilot has in the evaluation.

A number of other issues were raised by the Select Committee, including that of destitution. I do not want simply to repeat what has been said by the hon. Members who have spoken, particularly the hon. Members for Dagenham (Jon Cruddas) and for Walthamstow, who spoke so clearly on this subject. However, as the hon. Member for Dagenham said, the report was quite clear in paragraph 120, stating that our view is that the Government are using those policies to create destitution deliberately, which is wrong in itself, and, furthermore, they are doing so in an attempt to dissuade people from applying for asylum in this country.

As has already been said, there does not seem to be any evidence linking an understanding of the policies of the target country to the number of asylum applicants who come here. Those issues are outside the control of our Government: this is a question of the behaviour of regimes in other countries, of war and, often, of the economic circumstances that prevail in other countries. There is no evidence that it is a function of the particular arrangements that we have here and the Government need to provide evidence that there is a pull factor in those practices—which the Committee and I would consider humane practices—before they even make the case that those practices should be discontinued.

After all, the vast majority of asylum seekers and refugees are looked after in the southern hemisphere in countries adjacent to war zones—in some of the poorest countries in the world and in dreadful circumstances. Therefore, it seems almost an insult for us to argue about whether a certain level of support is a pull factor when the overwhelming majority of refugees find themselves in terrible circumstances in countries that have very little of our ability to provide decent circumstances. Furthermore, the pull factor is not a calculation for those countries, which are under huge pressure from their own populations, let alone the refugee population.

Jeremy Corbyn: I apologise for missing part of the debate, Mr. Bercow. I was at a meeting with the Department for International Development.

The hon. Gentleman is making an important point. Is he aware that, for example, Syria is accommodating probably 1.5 million or more Iraqi refugees, that Jordan is accommodating a large number and that the story goes on among all the poorer and poorest countries in the world? He is making an extremely valuable point in that respect. The burden does not by any means fall on Europe or the rich countries: the burden of the poor falls on the poor.

Dr. Harris: Indeed. I certainly accept that point. Foremost in my mind was Chad. The issue of Sudan and Darfur has been raised. Our press and media do superb work in highlighting some refugee issues around the world, yet the very same media and some politicians do not understand that the same factors drive people to seek refuge in this country as drive people to seek refuge in those refugee camps in very poor conditions.

Much has been said about the section 9 pilot, and I endorse what has been said by hon. Members. I certainly would like to see that scheme repealed, and I hope that during the passage of what will be yet another immigration Bill there will be an opportunity to request that the Government repeal it.

The issue of section 4 support and the use of vouchers has also been raised. We must remember that section 4 is reserved for those people who cannot be removed, so they are trapped in this country and trapped on a scheme that is discriminatory and stigmatising. If the Government do not think that that scheme is stigmatising, I would ask them a question: what research have they done to back up that assertion? It is hard to believe that having to pay for provisions with vouchers—provisions that those people can pay for—is satisfactory.

As I understand it, the Government said that they had plans to have regulations to provide

> "improved support to the most vulnerable...and those who may require support for longer than six months"

to meet exceptional needs. The Government also told us in paragraph 10 of their response:

> "We plan to consult on a second draft of the regulations before the summer recess."

Before the debate, I looked online for a copy of the second draft of those regulations and they were not obviously apparent. I do not believe that they were published by September, so can the Government explain what has happened to even the limited steps that they had taken to deal with additional support for those people on section 4 support who have been here a long time? Much has also been said about the issues relating to section 55 support, and I endorse the comments made by the hon. Members for Hendon and for Walthamstow.

The report was not as radical as it could have been, because it did not call for—perhaps it was not in its remit to do so—permission to work to be given to asylum seekers, which would be a win-win situation. It would obviously be a benefit to the asylum seekers themselves, many of whom have skills. In fact, it is often the most skilled and the most educated people who are able to escape the persecution and to apply for asylum in countries such as Britain. It would also benefit us in two ways: they would be contributing in sectors where we may have skill shortages, and indeed paying taxes, and they would not be reliant on support.

It is extremely disappointing that working is not permitted within the first 12 months. Liberal Democrats would wish to change that for what is, as I said, a win-win situation, unless the Government can provide evidence that people are prepared to risk the destitution and difficulties that come their way—and, indeed, the inevitable targeting by the immigration and removal system—to play the system. I do not think that that evidence exists, although I know from an exchange that I had with the Minister in the Select Committee that he feels it most definitely does.

The Government's policy is inhumane. I understand the hon. Member for Peterborough (Mr. Jackson) saying that he thinks this matter is about competence and efficiency rather than inhumanity. I certainly agree that there are problems in the Home Office, but now is not the time to dwell on them. It would be inappropriate to use our time to do that.

The hon. Gentleman also referred to the Christian view of these things. My experience of working in my constituency with faith-based organisations is that they share my view. In fact, every faith-based organisation shares my view, not his, that this is an inhumane policy and not simply a matter of running the system and policies a little better. We ought to pay tribute to the work that those organisations do, but also recognise that if one is going to suggest that we run the country and our policies on Christian lines—I understand his point—we ought to seek the view of the voluntary organisations on the policies, as many of them have to pick up the pieces of the destitution.

Health has been mentioned again by hon. Members. It is the clearest example of how the system is not only inhumane, but counter-productive. The report goes on at great length, with plenty of evidence—albeit in many cases anecdotal—on the effect of the health care rules. I wish to discuss a couple of examples.

The first example is the assertion that there is health tourism in the UK. As the hon. Member for Walthamstow said, there is not good evidence that there is a significant amount of health tourism. In any event, that description is insulting, and I am sorry that some of the mainstream media use it. If we are going to talk about people coming from outside the country to access our health service, we need to take a balanced view and net off the impact that poaching our health service has on the health care resources of other countries.

Despite the Government's recognition of the problem and attempts to limit it, we still take health care professionals from countries that have far fewer health care professionals per head of population than we do and far greater burdens of ill health. Because of the way international labour flows, whether deliberately or not—I hope the Government accept that I am not claiming that they seek to do this deliberately—we are responsible for undermining the health care systems of many countries from which migrants and asylum seekers, some of whom are unsuccessful in their claims, come.

For us to argue that people coming here from a health care system that is worse because the doctors and nurses whom it has trained up and whose training we may have contributed to are now working in this country are in some way stealing our health service resources, when they may well be being treated by people from their own country who have come to work here, is a bit of a cheek at least, and an extremely unfair and unfortunate allegation at worst.

Mr. Stewart Jackson: I do not think that it does a debate on transparency in immigration and asylum a lot of good to disregard, in effect, the real stresses and strains on the delivery of public services that EU migration, for instance, has caused. Such migration is not pertinent to this debate, but we are not talking about necessarily sophisticated media. There is a strain, and the by-product of that strain is that genuine asylum seekers and refugees are held accountable for the fact that there has not been planning for EU migration, for instance, which may not be health tourism, but which certainly involves accessing local facilities that are not adequately resourced to cope.

Dr. Harris: I thank the hon. Gentleman for raising that interesting question, because it is important to discuss it. Any group of people coming to this country may have higher than average health problems and lower than average wealth-generating potential than others, but we know that the EU migrants, who are generally younger and here for work purposes, are usually net contributors in terms of tax versus welfare, and that they use the health care system much less than average because of their age. Therefore, even if they were not filling health care posts, which they have done for a considerable period, it is extremely difficult to make a logical case that EU migration is a net drain on our resources for that reason.

The people who are a net drain, although I would not use that term, on our resources are the elderly people in this country, but they are entitled to health care resources that are far greater than what they contribute now—not only because they contributed in the past through their working lives, but because that is the right and proper thing to do.

If the NHS is stressed, it is wrong to try to blame any group of people. It is an emotive thing to do, and the real risk of talking the language of migrants being a drain on the health service is that people think that their grandmother cannot get a hip replacement because of the foreigners—they might say "foreign-looking people"—who are somehow ahead in the queue. It is extremely difficult to access health care services if one is not permanently resident in this country, so the argument that migrants jump the queue in any way is absolutely wrong. It is incumbent on all politicians in all parties, in local government and central Government, to ensure that we argue the case for a civilised debate on the matter and do not seek, to coin a phrase, to blame the scapegoat.

On HIV/AIDS, it is bizarre that the Government—in particular, the Prime Minister—have a long-standing commitment to ensuring universal treatment in the developing world but not in this country. That defies belief. It is not a rational approach, particularly given the fact that it is not sensible in economic terms not to invest in HIV treatment to keep viral load down. There are dangers of infection if the viral load goes up and, therefore, more cases present as an emergency, and also because people are more infectious—usually through sexual contact, of course—when they are not under treatment for HIV/AIDS. The policy does not make sense in terms of health care either.

It seems wrong that we have shifted the question of whether people should be treated on to health care workers who find it ethically difficult to deny treatment to people who need it, even though it is not immediately necessary in the language of the regulations. As the hon. Member for Hendon said, infectious diseases have real public health implications. If the idea is that people will now not be allowed primary care but will have to rely on presenting to accident and emergency, that will undermine completely any pretence the Government have to running a rational health care system. Yes, a good way of generating accident and emergency admissions is by not treating diabetics until they present as emergencies, but the suggestion is ridiculous even in terms of health care economics.

I hope that the Department of Health view prevails if, as we believe, there is an argument between the Department of Health and the Home Office. It will be difficult for the Government to escape criticism from health care professionals and human rights groups if it does not.

There is a responsibility on Opposition politicians to ensure that if the Government produce a sensible policy on asylum seekers that is not draconian, it is not criticised. I hope that the Opposition will accept that.

It is important to recognise the impact of Government policy on children. Whatever one says about the motives of people who claim asylum—I do not accept that a large number make applications in bad faith—children should not be victims of decisions and processes initiated by other people. The report makes lengthy recommendations on how children should be looked after, but the Government responded positively to only a few. It would be extremely useful if they at least made a statement, even if they are not prepared to drop their reservation about the convention on the rights of the child and asylum-seeking children having the same rights as other children under domestic legislation. I hope that that is not too much for the Government to say yes to.

I hope that the Joint Committee returns to the matter, because there have been a number of responses to the Government's response, and the Government gave a number of commitments on more consultation, more regulations and returning to some of these matters. I fear that there will always be an immigration Bill, although the Government will be asked to change their policy and the law. I hope that the Committee presses the Government on these issues.

The Government should be ashamed of their policy and their inadequate response to the criticism of it. I have spoken without commenting on Home Office efficiency and the Border and Immigration Agency, because the Government have at least recognised that reform is necessary. They have a new asylum model—I am not criticising that—but their performance on the recommendations of the report of the all-party Committee of both Houses has been dreadful, and their response inadequate. I hope that the Minister, who is more than capable of providing a better response to the report, gives us the answers we want.

4.42 pm

Damian Green (Ashford) (Con): This has been a fascinating debate on an important report, but I want to make a procedural point. In an era when the subject of welcome topical debates is decided each week in the main Chamber, it is faintly absurd that an interesting and controversial report is published in March, the Government publish their response in June and the Chamber debates it in December. Surely we can do better than that in procedural terms, so that such reports can have more impact than even this one. It is absurd that it takes so long for such a report to be debated.

Mr. Dismore: I agree, but it was open to the Opposition to select the matter for debate on an Opposition day. I would have welcomed the opportunity to debate it earlier.

Damian Green: I am sure that is so, but the hon. Member for Hendon (Mr. Dismore) will understand that there are many important matters that we want to debate, especially concerning the Home Office, but we have only a limited number of Opposition days on which to do so. Sadly, this matter has fallen through the net so far.

Turning to the substance of the report, during my 10 years in this place, I have not heard a more devastating attack on the Government in a Select Committee report than that made by the hon. Gentleman. He said—I do not think I am paraphrasing him unfairly—that current Government policy is not just illegal because it breaks our international treaty conventions, but is immoral because it reduces some of the most vulnerable people in this country to destitution, and achieves that not because of incompetence in the delivery of policy, but as the specific aim of the policy. I cannot imagine a more devastating critique of any Government policy. I noted carefully what he said in his cogent introduction, and that seemed to be the thrust of his comments and of the report. It is clear that times are slightly out of joint for the Government when the most supportive remark to the Minister comes from my hon. Friend the Member for Peterborough (Mr. Jackson) about a detail of the policy as it has affected his constituents.

Mr. Stewart Jackson: My hon. Friend may get me into trouble with our Whips. My point is that the Government's policy is probably completely incompetent and immoral, but not systematic. It is more cock-up than conspiracy, but it is still disastrous.

Damian Green: I am grateful for that clarification, but I suspect that the Minister may not be. I agree with my hon. Friend, and I do not ascribe malign motives to the Government in this area. It is just one more area in which things are going badly wrong. I have some sympathy for the Minister because, as several hon. Members on both sides of the Chamber have said, the tone of the debate is important. I agree, and Conservative Members seek always to deal with asylum and wider immigration matters in a measured and reasonable tone. In pursuing a proper balance, it is important not to assume that the Government have evil motives or that everyone involved in the asylum process is necessarily a victim.

We can and do have arguments about individual cases on behalf of our constituents, but there is a danger that as the tabloid press tend to sensationalise in one direction, we tend to tip over in the other direction and assume that everyone who applies for asylum is genuine and that they are all victims. My modicum of sympathy for the Minister is that anyone operating the system must do so fairly, and allow genuine refugees to lead a reasonable life in this country, but they must also decide that some people are not genuine refugees and try to run a system that does not attract to this country people who are not genuine refugees. To that extent, I have some sympathy with him, but such sympathy has not been expressed by any Labour Member.

Mr. Dismore: I made it clear in the first paragraph of my speech that the Committee accepts that some asylum seekers are not genuine and must be removed. The question is whether it is right to starve them into submission or to remove them humanely.

Damian Green: That is a reasonable point, and I was about to say that one indictment of the current system is that it is not effective, efficient or quick. The human effects of that incompetence are, as the hon. Gentleman said and as all reasonable people admit, to have destitution as the effect of public policy, even if it is not the cause, and that is clearly unacceptable.

Dr. Evan Harris: I understand the hon. Gentleman's point, but support under section 4 of the Immigration and Asylum Act 1999 applies to people who cannot be removed, so it is not a question of Home Office delay in dealing with their cases or removing them. Does he believe that current policies on section 4, and specifically the use of vouchers, which are probably not the most efficient way of delivering support, are appropriate in such circumstances, given that that cannot be blamed on slowness or inefficiency, because people are trapped here?

Damian Green: I do not object in principle to the use of vouchers although, having spoken to many of the organisations that work in this area, I agree that the application of the system under section 4 is clearly unsatisfactory.

The issue of children is clearly one of the most sensitive subsets of the many sensitive areas dealt with in the report. The Minister will be aware, as he and I enjoyed many debates during the passage of the Bill that became the UK Borders Act 2007, that Opposition Members feel that the Government are not doing enough to protect asylum-seeking children. I was interested in paragraph 190 of the report, in which the Committee states:

> "We are concerned about the detrimental consequences of providing inadequate and inappropriate support and accommodation to separated asylum seeking children."

The Minister will know that we welcomed the concessions that the Government made during the passage of the 2007 Act. A good deal of useful work was done by the Refugee Children's Consortium. However, one question that I shall put to him to add to the enormous pile of questions that he has to deal with when he responds is whether he will look again at applying section 11 of the Children Act 2004 to the Border and Immigration Agency.

In paragraph 191 of the report, the Committee noted

> "the difficulties local authorities face in providing an appropriate package of accommodation and support to separated asylum seeking children"

and talked about

> "the lack of additional resources".

That is an important point. It is more than just a standard local authority battle with central Government about funding, because this particular financial and organisational burden falls disproportionately on a relatively small number of local authorities. As it happens, my local authority in Kent is one of them, but it goes much wider than that to include, obviously, Hillingdon, Slough and so on. Indeed, local authorities across the political spectrum in terms of control have joined together to make the point to the Minister that that is a genuine area of concern. Will he therefore address the grant formula and say whether he believes that the authorities that need most support so that they can provide adequate facilities and support for unaccompanied asylum-seeking children are now receiving it?

[Damian Green]

There was much discussion, notably by the hon. Member for Oxford, West and Abingdon (Dr. Harris), about the effect on the health service of the various problems in this sphere. Again, the Committee said that the Government had not produced any evidence to show the extent of health tourism. That is a genuinely interesting debate in which evidence is all-important. The concept of health tourism is now out there and frequently appears in the media, and no doubt many people in this country take it as a given. If health tourism is not happening, it is clearly in everyone's interest for that to be shown, and if it is happening on any large scale, the Government need to take effective action on it.

Mr. Dismore: This is an important point and one that the Committee raised. It is very difficult to prove that something is not happening, but if there is evidence that it is, surely it is the Government's responsibility to prove that there is such a thing as health tourism. When we investigated that with Health Ministers, we found no evidence to support the assertion that it is happening. No statistics at all were available to give any indication one way or the other. On that question, the Government have not made their case. Moreover, in relation to charging asylum seekers, there was no evidence at all about how much was being charged, how many were being charged or how much had been recovered from those who had been sent the bills.

Damian Green: Those are all cogent questions and I look forward to the Minister addressing them.

One issue that has not been discussed in the health sphere is screening of those coming to this country. I know that this slightly stretches the terms of this debate on the Committee's report, Mr. Bercow, but given the recent very important report by charities involved with hepatitis B and their criticism of the lack of screening, will the Minister address that issue as well?

Another key area is obviously detention and removal—again, particularly in relation to children. Many hon. Members expressed their unease about the detention of families and children, particularly at Yarl's Wood detention centre. Like many others, I have visited Yarl's Wood. I thought that the authorities there were doing their best. I do not think that the centre is badly run, but clearly the sight of children being locked up behind what looked like prison doors made me extremely uncomfortable, as it would everyone.

I know particularly well that the Minister is about to experiment with different models, because he is going to do so in my constituency. I obviously hope that that succeeds, but it would be interesting to know whether he thinks that, without compromising the ability of the authorities to remove families, it is possible to move to a situation in which detention of families is not regarded as the norm. We heard examples of cases in which it is fairly routine for children to be detained for more than 28 days, and in some cases children have been detained for three months and more. As long as there are the current delays in the system, I am sure that the Minister will feel as uneasy as many of the rest of us do about the humanitarian effects of that type of policy.

I conclude by pondering why we have reached a situation in which reports such as this are produced that are devastating in their criticism of the Government. The underlying problem seems to be that, because the wider immigration system has been out of control for so long, the Government, in an attempt to pull back the situation, for whatever motives—the hon. Member for Dagenham (Jon Cruddas) ascribed fairly cynical motives to them—have decided that they have to be seen to be ultra tough in absolutely every area, including asylum and, in particular, asylum-seeking families and children. I think that it is that kind of instinctive move towards ultra-tough policies, or at least ultra-tough rhetoric, that has excited the Committee to that criticism.

Mr. Gerrard: The hon. Gentleman said that he was coming to a conclusion. It would be very interesting if, before he does that, he could tell us whether he and his party would specifically accept some of the recommendations that have been made, such as repealing section 9 of the Asylum and Immigration (Treatment of Claimants, etc.) Act 2004 and section 55 of the Nationality, Immigration and Asylum Act 2002, and allowing failed asylum seekers to work.

Damian Green: It no doubt would be very interesting for the hon. Gentleman if I announced Conservative asylum policy for the next election in this debate, but I will not do so, for the perfectly sensible reason that this is a fast-moving situation and an asylum policy that might have been appropriate five years ago would not be appropriate now. The Minister will recognise that he is changing his own policy as the years go on. What a Conservative Government would do in every detail will obviously be decided and announced before the next general election, but given that it now appears that that election is some time away, it is simply impossible to predict what the conditions will be and what changes we will want to make. I can, however, guarantee to the hon. Member for Walthamstow that we will want to make changes, because I do not suppose that there will be a solution to what the report describes as the absolutely appalling and inhumane situation that we currently face.

Dr. Evan Harris: I can assure the hon. Member for Walthamstow (Mr. Gerrard) that my party supports his suggestions, but I want to give the hon. Member for Ashford (Damian Green), who is speaking very moderately, of which I approve entirely, the opportunity to reject something that he was quoted as saying in respect of health care. He may be aware that just the other day an article in the *Daily Express*, under the headline "Illegal Immigrants' GP ban", stated:

> "Tory Shadow Immigration Minister Damian Green said the way to reduce pressure on the NHS was to expel those who should not be here."

The *Daily Mirror* quoted him as saying:

> "The only real solution is to remove people who have no right to live in this country."

I think that he has accepted that the situation is far more complex than that, and I give him this opportunity to say on the record that that is not his position.

Damian Green: It is my position that people who have no right to be here should not be here. That is not just my position but, I imagine, the Minister's and that of all sensible people. That is what I mean about balance. If the hon. Member for Oxford, West and Abingdon thinks that I am embarrassed to be quoted as saying that people who have no right to be here should not be here, he is wrong, and he is lowering the tone of the debate by assuming that I would be.

Dr. Harris: I do not disagree. I was making the point that the hon. Gentleman was quoted as saying:

"The only real solution"

that is, to the problems in the NHS—

"is to remove people who have no right to live in this country."

One can separate the question of whether it is appropriate to remove people who do not have the right to be in this country from the question of whether they are to blame for pressures on the NHS. I was seeking to help him by making a reasonable and civilised point that I thought he made earlier.

Damian Green: I am glad that the hon. Gentleman thinks that I am making a reasonable and civilised point. I shall continue to make it. People who have no right to be here should not be in this country.

The root of the problem is the wider failure of immigration policy. That is a melancholy conclusion, because it means that unless and until the Government get to grips with wider immigration policy, we can expect further stresses and strains in matters relating to the treatment of asylum seekers. Sadly, I suspect that this will not be the last time that the Committee must consider the issue or come to similar conclusions.

As others have observed, it is a policy issue that should not excite huge partisan difference. We ought to be able to agree, broadly speaking, about how those seeking asylum should be treated. One can honourably hold different views about levels and systems, but the treatment of individuals should not be a matter of division between us. It is a matter of genuine regret to me that such an influential and well-researched report should come to such a damning conclusion about the effects of current policy.

5.2 pm

The Minister for Borders and Immigration (Mr. Liam Byrne): I have not spoken in a debate under your chairmanship, Mr. Bercow, and I am grateful for the opportunity to do so this afternoon. I realise that that shows I need to get out more; I shall certainly seek to do so with hon. Members' help.

I associate myself with the comments made by my hon. Friend the Member for Hendon (Mr. Dismore) at the beginning of his very effective speech. In particular, he underlined this country's proud tradition of providing humanitarian protection to those in need of it. I very much associate myself with those sentiments. I was pleased to hear the hon. Member for Ashford (Damian Green) say that this is a policy area on which we should be seeking consensus among all parties in the House. He in particular has done a great deal to move debate in his party on from the manifesto commitment of 2005 proposing a cap on the number of refugees entering this country. That would have required a withdrawal from the 1951 refugee convention, if not a renegotiation of it. I am pleased to see that he and his colleagues have decided to put that policy in the bin.

There is much in the report that I found welcome. I found parts of the analysis to be deeply dispiriting and lacking any attempt at balance; I shall describe my criticisms of them in more detail in a few moments. I said in my evidence to the Select Committee that I particularly welcomed something that it was doing extremely effectively—providing a number of case studies and examples and interrogating the evidence where it felt that policy was not being translated into practice. In a complex system such as immigration, that is a risk we always run. It is enormously important that the Committee did such a thorough job in seeking to reveal those areas, and I hope that it will return to the subject.

My analysis of the Border and Immigration Agency when I first took on this job was that it had suffered from being opaque. It was not sufficiently open, and it needed to benefit from much greater and more effective scrutiny. For that reason, I drafted amendments regarding a smaller number of inspectors holding the agency to account in future. Today, the BIA has 11 different inspectorates. There are too many, they are too small, they do not punch enough weight and they cannot in themselves hold the BIA to account. That is why we changed the law. The advert is out for the job of chief inspector. It is a good job, it is well paid and if hon. Members know good candidates, they should encourage them to apply.

I have listened to what the Committee and hon. Members in this debate have said about the Committee's disappointment in the Government response. That partly reflects my own disappointment in some of the Committee's analyses, which I shall explain, as I said, in more detail in a moment. Committee members should not err in underselling their contribution to the reform of Government policy in at least three areas. The Committee can be proud that it has influenced, if not inspired, the direction of Government reform in some important ways.

What has been said in this debate and in the report will be enormously important to the proposed review of how health care is provided for foreign nationals. There have been enormous changes to Government policy and legislation on how the BIA detains and removes children who we do not think have a right to be here, and the Committee's work has contributed to that in no small part. The Committee will also be able to consider the new regulations changing how section 4 is administered when they are published in the new year, and I think that it will be quite pleased with the changes. I hope that it will take some pride in the fact that it helped to inspire and influence the changes that I asked for.

My hon. Friend the Member for Hendon started in the right place by explaining that this debate takes place in quite a different context than did our debates in this country 10 years ago about asylum and immigration. The number of people seeking asylum in the UK fell again in 2006, by 2,000; it is now at its lowest level since not 1997 but 1993. He was also right to say that many patterns of change in the asylum system reflect what is going on in the real world. Four countries—Eritrea, Iraq, Iran and Somalia—accounted in the last quarter for about 30 per cent. of applications in the countries of the EU, and 33 per

[Mr. Liam Byrne]

cent. in the UK. Those changes reflect what is going on in the world, and there is no doubt that the different border security structure that the UK is implementing—some of the changes are already in place—has accounted in part for the reduction in the number of asylum seekers coming to this country.

However, that creates new obligations, too—for example, extending programmes such as the gateway programme, through which British Crown civil servants go to some of the most desperate refugee camps in the world to find those who would benefit from protection and a new life in the UK. It is enormously expensive to administer, but it is an enormously important part of the reforms that we are seeking to make.

This is a dramatically different situation from that of the late 1990s, by which time something like 374,000 people had claimed asylum in the UK—an enormous number. Asylum applications snowballed from about 25,000 a year in 1992 to some 70,000 a year seven years later. Unfortunately, by 1998 there was a backlog of about 50,000 applications; and, as many hon. Members will know, it could take a year just to hear an appeal.

One of the most important changes that we have made in the last 18 months, as my hon. Friend the Member for Hendon pointed out, is completely to reorganise the way in which we administer the asylum system. We now have fast-track asylum teams in every part of the country. Crucially, every case now has an individual owner, who deals with cases from beginning to end. The previous administration system—it involved one team making one part of a decision, which passed the file to another team, which then passed it to someone else, perhaps losing it a couple of times on the way—has been swept away.

It has been a dramatic programme of change. We now have 25 asylum teams around the country and about 300 case-owners are now involved. Many have been brought into the civil service directly from university, and they are already beginning to make quite an impact in the work of the Border and Immigration Agency—indeed, even in my private office. Some four in 10 cases are now resolved from the beginning to the very end—to the individual being granted humanitarian protection or being removed from the UK.

Forty per cent. of cases are now dealt with within six months from beginning to end, but that is not an ambitious enough target. My goal is that by this time next year, six out of 10 cases should be processed within six months, and my aspiration is that 90 per cent. of cases should be processed within six months by 2011. That is a considerable difference from the world of 1997, when getting an initial decision on some of the older cases could take two years. Although change has been a little time in coming, it has speeded up in the past year or so. These are dramatic changes.

What my hon. Friend the Member for Hendon said about the administration of benefits was important. Ensuring that the teams who look after single individuals also administer and process applications for benefits has been an enormous help in ensuring that the system is much slicker. Because the system is that much faster, the BIA can begin dealing with many of the problems of the past.

We have created a new department in the agency; it has about 900 staff, who have just completed training. In five days' time, all 400,000 case files will be allocated to individual case-owners. Lin Homer will write before Christmas to the Home Affairs Committee providing news about the number of cases already processed from that backlog, but I can tell the House that the number of resolutions is already in the tens of thousands.

My hon. Friend the Member for Islington, North (Jeremy Corbyn) made an important point about the administration of justice. I do not want to dwell on it, other than to say that the tests are set out by the Legal Services Commission in the funding code, which I believe is approved by both Houses of Parliament. It was last updated in October 2007.

Like many hon. Members, including my hon. Friend the Member for Dagenham (Jon Cruddas), much of my experience in this debate comes from the enormous number of immigration cases that I deal with in my constituency. Constituents are often badly let down by their representatives. As my hon. Friend the Member for Islington, North said, they will often have been stung for thousands of pounds, yet they are some of the most vulnerable people in our constituencies. They have simply been fleeced. It is important that we continue the debate and if there is an opportunity to revise the funding code, hon. Members should not hesitate in bringing forward their ideas.

Jeremy Corbyn: I acknowledge what the Minister says. There is a serious problem, and it is caused partly by the lack of legal aid for representation. Having no representation means that people are either unrepresented or forced to go to fly-by-night organisations. I do not suggest that we curtail the right to representation in appeal tribunals—far from it—but I ask the Minister to reflect a little more on whether we can do something to ensure a degree of equity and justice. Like him, I know of many strong asylum and immigration cases that were lost at the first hurdle because of some complete nonsense written by an inadequate legal representative.

Mr. Byrne: I share many such experiences. We are now testing whether the process can be made easier by having more substantial legal representation at the beginning. A pilot is up and running at the Solihull centre for the BIA, and I may find an opportunity to update the House on it in the new year. BIA needs to undertake further work, particularly in its detention and removal centres, to ensure that adequate legal representation is available.

Much of the debate turned on section 9(2) of the 2004 Act, but I slightly disagree with the Committee's recommendations. It was right for the Home Office to be open and candid about what we saw as shortcomings in the pilot scheme. However, I am less confident about my own omniscience, in that I believe that it would be difficult for me to rule out situations in which it might be necessary to use the provisions in section 9. As I said in the written ministerial statement published with the pilot report, the policy should not be used in an indiscriminate and blanket way, but at this stage I do not want to remove it. My view of epistemology may differ from that of the hon. Member for Oxford, West and Abingdon (Dr. Harris), but I recognise that there may be cases when it is required.

Mr. Dismore: We obviously disagree on the fundamental point, but would my hon. Friend go at least this far and say that the provisions should not be used in cases where children are involved and may end up in care, as in the four cases to which I referred earlier?

Mr. Byrne: If the result is that a child has to go into care, or if families are separated and the costs are moved on to local authorities, it would be extremely unfortunate. The situation would indeed need to be avoided.

What was said about section 4 of the 1999 Act, too, is important. About 9,500 people are in receipt of section 4 support. New regulations are required, and they will be submitted to me next week. I listened hard to what was said about the need to provide different kinds of support for pregnant women and children, and to enable people to communicate with each other and, indeed, with the BIA. I hope to finalise those regulations next week, before their publication in the new year.

What was said about health care was important. Again, I am sorry to disappoint the hon. Member for Oxford, West and Abingdon with the brevity of my response to a number of recommendations; I hope that he will be satisfied with what I have to say now. We thought that what the Committee said was important enough for us to commission an entire review of Government policy in that area, and future recommendations will be subject to consultation. The brevity of my response may have disappointed the Committee, but I hope that the promise of a bigger debate is satisfactory. Perhaps the hon. Gentleman will tell me now.

Dr. Evan Harris: I want not to respond to that point but to take the Minister back briefly to section 9 and section 4. First, can he explain why there was such a significant delay between the completion of the evaluation of section 9 and the publication of what was quite a brief summary report of that evaluation? Secondly, has there been a slippage—I think that there has—in the publication of the draft regulations improving the section 4 issues that I mentioned? The Minister told us that they would be out before the recess, but I think that he is saying that they are still in the process of coming out. Is that because they have been revised in the light of our report, or was there another reason?

Mr. Byrne: No. A second consultation was undertaken on draft regulations, but I am happy to write to the hon. Gentleman giving a bit more detail on the process if that would be helpful.

I do not plan to detain the debate with a long discussion about health care—

Mr. Dismore *rose*—

Mr. Frank Field: Before my hon. Friend the Minister leaves the question of introducing new regulations, will those regulations cover women seeking the protection of refuges, so that their and their children's costs are covered in those circumstances? If he cannot reply now, might we get a reply on that point later?

Mr. Byrne: The regulations will come to me next week, so I will be in a position to write to my right hon. Friend then with a fuller answer to his question.

I will not detain this debate with a long, drawn-out discussion about health care, because I do not want to pre-empt the review's conclusions. However, I undertake to ensure that the comments and contributions that have been made this afternoon will be reflected on. That will be slightly disappointing for Members. The points made by my hon. Friend the Member for Walthamstow (Mr. Gerrard) are rooted in an enormous amount of thought and experience, so I will genuinely make sure that the review, when it is published, addresses them—particularly those about public health and HIV, which have been uppermost in the minds of Department of Health Ministers when asking their officials to consider this question.

Mr. Dismore: Obviously, we are disappointed not to have a little more of a lead today on what is going on. However, perhaps my hon. Friend the Minister could say what the timetable is for the review and when we may expect to see its report published.

Mr. Byrne: My goal, together with the Department of Health, is to publish it in January.

Dr. Evan Harris: First, I should still like the Minister to respond—perhaps he has received a note now—about why there was such a delay between receiving the report completing the evaluation of section 9, and its publication more than a year later. Secondly, if the review is the one mentioned in the response, that was a review instigated—it was welcomed—on 7 March, before the Committee reported. So the Government response cannot be a response to our report. Thirdly, we were told by the Government in their response that the joint Home Office and Department of Health review of access to the NHS by foreign nationals was to be completed by October—if we are talking about the same review—so on that basis, it is not unreasonable for us to be a little disappointed that a review that was already planned, and which is not a response to our report, is overdue.

Mr. Byrne: The hon. Gentleman is talking about three things. First, the section 9 pilot review was delayed because I was not satisfied with the initial report and wanted it rewritten. Indeed, I ended up rewriting big chunks of it personally. Secondly, the review that we are undertaking jointly with the Department of Health is complicated for many of the reasons that Members have discussed this afternoon. I do not want to rush out a report that is premature or ill-considered, so I make no apology for what may appear to the hon. Gentleman to be a slight delay in our seeking to publish it in January. Thirdly, I am happy to send him a copy of the letter that I sent to my right hon. Friend the Member for Birkenhead (Mr. Field) on the revision of regulations in respect of section 4.

I want to make some points before concluding that touch on an important sentiment that inspired many of the contributions to this debate. My hon. Friend the Member for Walthamstow mentioned destitution. If I am candid, I was slightly disappointed by the lack of

[Mr. Byrne]

analysis of this issue in the report. As the hon. Member for Ashford knows and as he said, people come to this country and claim asylum without any basis whatsoever. It is not an accident that three quarters of asylum claims are rejected. That happens because individuals are seeking to abuse the asylum system. If we are going to be honest and to try to have a balanced debate, that needs to be stated up front. It is then necessary to have a much more realistic engagement with some of the challenges and difficulties involved in removing people from Britain when they have no legal right to be here.

One of the most important barriers to removing somebody back to where they came from is travel documentation. We often need to detain people for extended periods to establish their identity, during which time we work with their embassy or consulate to prove to it that the individual whom we have in detention comes from that country and needs to be issued with a travel document to go back home. The truth is that many individuals do not want to comply with that process because they do not want to go back home: they want to stay in the United Kingdom.

The BIA can force the issue and seek to remove a person from this country in an enforced manner. That is expensive—according to the National Audit Office, it costs about £11,000 a time—but we are committed to doing more of that, which is why I have said that I will double the resources for enforcement in the agency over the next couple of years. That is also why we have sought to bend over backwards to help people go home voluntarily.

To those people who say that the Home Office is trying to run immigration policy in a way that appeals to the tabloids, let me say this: every time that we have sought to strengthen and reinforce the arrangements for voluntary returns, that is not a tabloid-friendly story. That is a story that is deeply unpopular with the tabloids, but it happens to be the most humane and efficient way of encouraging people to go back home voluntarily. I wish that more people would take it up, but the fact is that they do not. That means that we often have to enforce removal.

The difficulty with enabling people to work is that it creates a new incentive for them not to comply with that documentation process. For example, it is not untypical for us to succeed in detaining somebody and to open negotiations with their embassy or consulate about where they came from and why they need a new passport to go back home, whereupon that individual will then lie about who they are and where they are from and the embassy and consulate, after protracted negotiation in common, will come back and say, "We've never heard of them. I don't think they're one of ours."

Therefore, we have a difficulty, in that we need to encourage the individual to comply with us, and multiplying the incentives not to comply with that process hampers the enforcement of effective immigration control. I shall give a simple example, just by way of anecdote. A large number of people who claim asylum and claim to be from Eritrea are going through a linguistic analysis pilot at the moment. Unfortunately, many of the people who claim to be Eritrean are actually from Kenya. One of the difficulties with running an effective immigration system is that people are not necessarily straightforward with the BIA about their background.

The debate about the right to work and other incentives is important and difficult. It would be tremendously fruitful if the Committee collaborated in designing a way out of a very difficult situation, to which the Home Office genuinely does not have all the answers. That is one area in which further work could be done.

Mr. Gerrard: I understand my hon. Friend's point, but I have come across individuals who have not been honest about their country of origin and I understand the difficulties of getting papers. However, on work, the people who perhaps concern me the most are those whom we have identified and whom we know will not be returned to their countries of origin. We provide them with section 4 support if they agree to return when they can, but they might be here for a long time. We should consider them.

Mr. Byrne: That area of concern would benefit from a great deal more debate in the House and elsewhere. Section 4 allows people to claim support when there are so-called barriers to removal. However, one of those issues is outstanding legal representations, such as judicial review. The Home Office wins more than 95 per cent. of judicial review applications, so we know that that process is possibly being abused. My hon. Friend said that we know that they cannot go home. I have some difficulty with that. Only 9,500 people are on that kind of support. However, there is a genuine difficulty—this is not straightforward—because some of the barriers to returning home are created by the individual in question when they lodge a judicial review application.

For example, there about 16,000 failed asylum seekers from China—by far and away the largest number from any one country. In many of those cases, an independent tribunal will have decided that there is no human rights barrier to an individual returning home. As far as I know, there are pretty regular flights to China. However, by creating the opportunity to work we might well encourage more people not to co-operate with the redocumentation process, which is particularly problematic with China. That is a difficult problem, which should be debated further.

I want to thank the Committee for its work and advice on children. There has been considerable change in the Government's policy towards children over the past 18 months. I have to sign the authorisation for every child held in detention for longer than 28 days. I have never signed that authorisation without thinking of my three children at home. It is a difficult thing to do. Very often, those cases involve individuals who have filed judicial review applications, been disruptive or sought to abscond. Those are genuinely difficult decisions.

My hon. Friend the Member for Hendon made a point about the UN convention and the UK reservation. I continue to look at how the Committee's ambitions can be met, but I have not yet found a way to do so. However, I and the Under-Secretary of State for the Home Department, my hon. Friend the Member for Gedling (Mr. Coaker), continue to pursue that. In the new year, we will propose new policies to deal with unaccompanied asylum-seeking children and present our conclusions on whether X-rays should be used. That is another difficult policy area. We have listened very hard to advice from medical practitioners and others. My concern remains about how we ensure that there are not adults in the children's care system or children in the adult system.

As the hon. Member for Ashford noted as well, I am concerned that we look at how the burden centres on particular authorities, such as in Hillingdon, which the Committee quoted in its report, and how we can create a network of specialist authorities better able to share that burden. The duty to keep children safe is a new legal obligation under the responsibility of the Border and Immigration Agency and we will publish the code of practice, again in the new year. Crucially, those obligations will apply to contractors—an idea put to me not only by children's charities, but by the Opposition in the House of Lords. I was happy to accept it.

The alternatives to detention pilot in Kent is dear to my heart. We have not made a big song and dance about it, but it is important. My ambition is that kids are not held in detention centres and that we find workable alternatives. I wish that people would check in voluntarily, but unfortunately those pilots have all failed. We concluded, therefore, that an element of restraint is important. However, we need a more humane approach.

I want to make a final point about balance. This has been a very important debate and I welcome the Committee's report for keeping the subject alive. I hope that that debate continues. My one plea is that we conduct the debate with more balance. In the future, it would be helpful for there to be more engagement, analysis and constructive criticism of the processes involved in enforcing immigration laws. I should like there to be interviews with the immigration officers whom I have met, who talk about how difficult it is to arrest and detain somebody who has covered themselves with excreta in order to frustrate removal. I should like there to be interviews with young, often female immigration officers who have young kids of their own and who, at 6.30 am, have had to arrest and detain a non-compliant family, who have been abusive and are potentially violent, and to help get young children safely away. When we talk to immigration officers in that way, we can see how emotionally drained and gutted they are, and how difficult the job that they do for the British Government is.

I should like there to be interviews with those who run detention centres. The House would benefit from hearing on the record what it is like to keep order in a detention centre with people who, frankly, would rather be in a British immigration removal centre than on the back streets of the communities that they came from. The debate is difficult, and those are the realities of running an immigration system and enforcing the laws that Parliament has passed and that have been delegated to the Border and Immigration Agency to enforce. The subject is difficult, emotional and does not benefit from one-sided arguments. I hope that in the future, as with many arguments in the immigration debate, we can conduct it with a degree more balance.

5.37 pm

Mr. Dismore: I have one or two brief comments to make in response to the debate, which has been helpful. As has been said, it is some time since we published our report and since the Government response, and we have moved on.

To pick up the Minister's point about balance, it is important that somebody speaks up for those without a voice, such as asylum seekers. When we visited Yarl's Wood, we spoke not only in private to detainees and their children, but to the staff—the ordinary guards who deal with the asylum seekers from day to day, locking the doors and so on, and to the management. I was very impressed with the professionalism of the two guards—I am not sure whether that is the correct term for them—who showed us around. They were sympathetic in dealing with people in their charge, but the fact remains that they were dealing with people who were detained, and I still question whether it is appropriate for children to be in those circumstances. I was pleased, therefore, to hear what my hon. Friend said about considering other ways to deal with the problem.

The Minister takes exception to our views on destitution, and suggested that they lacked analysis. However, we did not come to our conclusions lightly, but by analysing the evidence before us, which came from both sides of the House. The Home Office took the opportunity to present its evidence, too, but we were impressed by the enormous volume of evidence received from a plethora of non-governmental organisations and in our discussions with individuals in places such as Yarl's Wood. That was why we came to our conclusions. The basic thrust of our argument is that although we accept that people come here who should not, and that they should be required to leave, the question is whether we can do that humanely. Are dawn raids to detain families with small children really the only way to go about it?

Obviously, some officers have very difficult stories, and we sympathise with them. However, we have to come back to the basic principle of trying to deal with people properly and fairly. We can remove people from Yarl's Wood in a humane way, unlike the case that I mentioned in which a woman and her baby were put in a van at a moment's notice. She had no time to change the baby's nappy, get its milk or even a jumper to keep it warm. That is not humane. That woman could have been given 15 minutes' notice so that she could change the baby and collect the items that she required. It cannot be humane to separate a breast-feeding mother from her baby. Those were the sorts of cases that we came across. That is why we come back to the point about how we deal with them.

On a more positive note, my hon. Friend the Minister talked about developments in areas such as health care and about section 4, and he asked us to keep an eye on them. I can assure him that our Committee has a policy of following up inquiries. Once Select Committees publish a report, they tend to look at the Government's response, have a debate, and then forget about it. I can assure him that that is not our policy. We will follow up issues. For example, we are holding our own mini-conference on the Yarl's Wood case in January. We followed up our inquiry on people trafficking. I am sure that my Committee will want to return to those issues, particularly to analyse his proposed new policy statements. I can assure him that

[Mr. Dismore]

we will keep an extremely close eye on those troubling issues relating to section 4 and health care.

It has been a very helpful debate. Although I may disagree with my hon. Friend on some of his conclusions, I am grateful to him for his co-operation and measured response. He has approached the issues sympathetically, even if he has concluded that we need to use the mail fist rather than the velvet glove when we deal with some of these people. I hope that he will reflect on some of the examples that we have given. The problem is that policy may say one thing at the top, but at the grass roots, where it is implemented, we see a very different picture. That is what drove us to our conclusions.

Question put and agreed to.

Adjourned accordingly at eighteen minutes to Six o'clock.

Westminster Hall

Tuesday 18 December 2007

[MR. ERIC MARTLEW *in the Chair*]

Housing

Motion made, and Question proposed, That the sitting be now adjourned.—*[Siobhain McDonagh.]*

9.30 am

Mr. Philip Hollobone (Kettering) (Con): I wish you and all other Members present a merry Christmas, Mr. Martlew. I thank the Speaker for granting me permission to introduce this debate, and I welcome the Minister to his place to listen and respond to my constituents' concerns. I also thank the Leader of the House for granting permission for Westminster Hall debates to take place on this final Tuesday before Christmas. In previous years, the habit has been to cancel today's debates, but in a very welcome decision, she has decided to allow them, which will permit another four and a half hours of parliamentary airtime in which a wide variety of concerns can be raised and drawn to the attention of Ministers.

In the next 15 to 25 years, Kettering, which I have the privilege of representing, will face a challenge arising from the number of new houses that the Government say need to be built in the borough. That is causing problems for the local community because, I am sorry to say, the infrastructure needed to support that housing growth is not being delivered at the rate at which it should be. I received a letter from the leader of Kettering borough council, Councillor Jim Hakewill, which I shall read to the Chamber. He sums up very well the concerns of the local community about the so-called sustainable communities plan proposed by the Government and how it will apply to Kettering. He writes:

> "As leader of Kettering Borough Council I would like to record my increasing concern as to the deliverability of the steep housing growth targets that have been allocated to our Borough as part of the Sustainable Communities Plan—Milton Keynes South Midlands growth area.
>
> We have welcomed National and Regional Ministers to Kettering as well as colleagues from the Government Office for the East Midlands, to see first hand the potential, but also the barriers for delivering the national housing growth targets in our Borough. Whilst we have been appreciative of the time and consideration given to our concerns, it is some five years since the announcement of the Sustainable Communities Plan. Whilst we have seen some support for our town centres via GAF funding"

—growth area funding—

> "we have seen little evidence of deliverable infrastructure planning from government departments, let alone anything physically on the ground. If North Northamptonshire is to become a successful community of 400,000 people, it needs a university campus, road and rail infrastructure and business support.
>
> The clear agreement back in 2003 was that there would be a sequential approach based on infrastructure, jobs and homes. The bargain struck with local people at that time was that this would not just be a homes-led agenda to relieve pressures on the south east, but a genuine infrastructure approach which would deliver benefits to our existing residents, businesses and visitors.
>
> I am happy for you to deliver this letter and the message within it to those senior politicians who have it within their power to work across departments to deliver on that original commitment, infrastructure, jobs then housing."

That is the dilemma that Kettering borough faces.

Much of the infrastructure that Kettering needs is in the field of transport. I know that the Minister has no direct control over the Department for Transport, but it is crucial that his Department regularly engages with the DFT to deliver his sustainable communities plan. I pray in aid a recent comment made on the Floor of the House by the Secretary of State for Transport:

> "Given my experience at the Department for Communities and Local Government and now at the Department for Transport, I can assure him"—

the right hon. Lady was referring to another hon. Member—

> "that the two Departments are joined at the hip when it comes to planning for more houses... It is essential that we build sufficient capacity so that people can travel by train, road, bus or however they want to move around. In that way, we can meet the needs of a growing population, and of those who will live in the houses yet to be built."—[*Official Report*, 4 December 2007; Vol. 468, c. 679.]

I took that as a reassurance that the Department for Transport and the Department for Communities and Local Government were joined at the hip in delivering the necessary infrastructure that communities such as Kettering require.

In a letter written in August 2006, I was told by another DCLG Minister that the Department

> "has allocated significant funding to ensure that the necessary supporting infrastructure is provided at the same time as development goes ahead".

It would appear from the assurances given to my constituents that both Departments are committed to delivering the infrastructure that local communities such as Kettering require to ensure the scale of housing growth that the Government envisage.

Bob Spink (Castle Point) (Con): My hon. Friend raises a very important issue, just before Christmas—I, too, wish everyone a very happy Christmas. He talks about transport infrastructure, but I am sure that he acknowledges that other forms of infrastructure, such as dentists, doctors, leisure facilities and schools, are also important. Not only are we not getting the "infrastructure first"—that was the slogan that I suggested for Thames Gateway—but infrastructure is being taken away. For instance, the policy of secondary school closures is set against a backdrop of extending compulsory education to 18 and of Government targets, which are forcing thousands more houses on to those communities. Should the Government not have a moratorium on school closures until we know the impact of those changes?

Mr. Hollobone: I am grateful to my hon. Friend for his very helpful intervention. I was disappointed to hear of the difficulties being experienced by him and his community over the lack of joined-up government in the delivery of the ongoing infrastructure required for growing communities. Part of the difficulty is that the Government's housing expansion agenda is so ambitious and aims to build so many houses in such a short time that it seems to have huge difficulty

[Mr. Hollobone]

co-ordinating the delivery of the extra infrastructure and support services needed by those who will live in the houses.

The very strong argument for Kettering is that, if the Government cannot fulfil their promise to put infrastructure first, they need to scale back their housing expansion plans; otherwise the result will be tens of thousands of new houses in north Northamptonshire, but a worse quality of life for those moving in to the new houses and for the existing residents, because the already groaning infrastructure endured by local people will be unable to cope. I am very disappointed that a similar situation seems to be arising in my hon. Friend's constituency.

I am disappointed: this is not the first time that I have had to raise this issue in this Chamber. On 12 October 2005, in the first Westminster Hall debate that I secured after the last general election, I was delighted to raise these issues with the Minister's predecessor, now the Minister for the Environment, in a debate about overdevelopment in Northamptonshire. Overdevelopment is basically lots of houses without the infrastructure needed to support them. What disappoints me is that very little progress seems to have been made towards providing that infrastructure since I brought my constituents' concerns to the House on that occasion.

I also had the privilege of securing another Westminster Hall debate, on 19 July 2006, on the problems of the A14, the major road that serves my constituency. Despite my raising those concerns with the then Transport Minister, the hon. Member for South Thanet (Dr. Ladyman), plans to introduce proposals to improve that road have been put back since that debate. The theme of my remarks today is that the strategy of infrastructure, then jobs, then houses, which local people were promised, has not happened. In fact, realisation of the infrastructure commitments that were signalled now seems further away than it was in the first place.

North Northamptonshire has been pre-eminent in the delivery of additional housing as part of the Government's sustainable communities plan. In the borough of Kettering, there are 36,000 houses. Under the Government's proposal, a statutory duty has been placed on the borough to make provision for an additional 13,100 houses by 2021. In other words, the borough will increase by one third, which must be one of the fastest growth rates of any community in the whole country—it is an extremely ambitious target. The four communities of Kettering, Corby to the north, Wellingborough to the south, and east Northamptonshire to the east form north Northamptonshire. Overall, the requirement is for an extra 52,100 houses in north Northamptonshire by 2021, as part of a county-wide increase of just under 100,000 houses by that date. By 2031 the population of Northamptonshire is set to rise from 660,000 people to just under 1 million.

That rate of growth is unprecedented in the history of the county and of the borough of Kettering. Traditionally, Kettering has been a successful and thriving market town, which has evolved over the years and never had growth imposed upon it. Because it has evolved, it has a settled infrastructure that has served the community extremely well until now. Now, despite the rate of growth that is being imposed, it is increasingly unlikely that local people will receive the extra infrastructure that they require.

In north Northamptonshire as a whole, 2,500 new homes are completed every year. The area forms part of the wider Milton Keynes and south midlands growth area, which delivers a higher rate of annual housing growth than that of the Thames Gateway, about which my hon. Friend the Member for Castle Point (Bob Spink) has raised concerns. However, developers, local councillors, residents and planners all agree that local growth on that scale will be sustainable only if there is sufficient investment in the associated infrastructure. An example of that is the supposed—yet to arrive—improvements to the A14.

The A14 is a road of European significance. On maps in the European Commission, it runs from Dublin, through Wales and England, past Kettering to the east coast ports and then into Europe. An "E" number is attached to it. Some 70,000 vehicles a day use it driving past Kettering, and the road is close to capacity. Everyone agrees that it is the major brake on housing expansion in north Northamptonshire, so the Highways Agency needs to introduce a proposal to sort out the capacity on that road. Currently, however, there are no proposals to do anything about it until 2016 or 2017. The plans that the Government have placed a duty on local councils to deliver are meant to be completed in 2021, but major improvements to that major road are not scheduled until almost the end of that programme. It is a perfect example of infrastructure not leading but following housing expansion.

When I expressed local concerns about the A14 in the debate on 19 July, the then Transport Minister assured me that the Highways Agency was considering an options study of the road's Kettering bypass section, and that the agency would make proposals to him in due course. Unfortunately, the timetable continues to slip. February 2003, when the sustainable communities plan was published, was the first opportunity for local people to try to understand the imminent changes to their local community. In July 2003, the then Secretary of State for Transport, now the Chancellor of the Exchequer, responded to the recommendations of the then London to south midlands multi-modal study to widen the A14. In 2004, the Highways Agency appointed consultants Scott Wilson to work on the potential for widening the road, and throughout 2005 the agency issued a number of article 14 directions against housing developments in the locality on the basis that the proposed developments could not go ahead because the A14 did not have enough capacity to cope with them.

In November 2005, however, at a north Northamptonshire summit, the agency advised local people that there was no automatic expectation that it would recommend investment in the A14 before 2021. I secured my parliamentary debate in July 2006, and later that year the A14 issues group was established, involving various Government agencies, the county council, the local planning unit and the Government office for the region; however, Kettering borough council was not invited.

The important point is that DCLG, or perhaps it is the Department for Transport, often seems to forget that planning powers lie with local district councils. In November 2006, Kettering borough council granted planning permission for an office development on a site known as Cransley park, or "the scrapyard" to local people, at the entrance to Kettering from Northampton by the A14. The council was unaware, however, that the Government had established the A14 issues group. That site is now blighted because no one locally knows the proposed route of an offline extension to the A14, which seems to be the Highways Agency's favoured proposal. In yet another example of joined-up government, the local council, in all good faith, has granted planning permission for a development to create job opportunities in the borough, but because it was not involved in major transport decisions, the site is effectively blighted.

In January 2007, the then Transport Minister, the hon. Member for South Thanet, came to Kettering and gave a commitment that the Highways Agency would submit proposals to him on the future of the A14 by spring 2007. Those proposals have still not arrived, and I understand that it could be late in 2008 before any hard and fast proposals are advanced. The problem is that local people are suffering. Congestion in Kettering itself is getting worse, and access to the A14 for my constituents who live in Burton Latimer, Rothwell and Desborough is extremely difficult at peak times.

The local business community is also suffering. The Northamptonshire chamber of commerce recently commented:

> "Business is being lost in the county as a direct result of road congestion and the situation is only going to get worse".

Mr. Griffiths, who heads up that chamber, went on to say:

> "The impacts of congestion are reaching a ridiculous scale, having a direct and significant impact on the bottom line of Northamptonshire companies. Local businesses cannot remain competitive if they lose time, trade and money through rising transport congestion. And, yet we are still to see any concrete solutions or investment plans from government to address it."

In a comment that I wholeheartedly endorse, he went on to say:

> "Transport issues are not just down to business—think about the impact that the school run makes on peak travel times—indeed, many small businesses are looking to technology, for teleconferencing, remote working, instant messaging, to avoid travelling. But, in a growing county such as ours, the congestion situation will only get worse. We need action on roads, (especially the A14 and A43), we need action on public transport, and we need action on congestion, and fast!"

A very ambitious housing expansion target has been imposed on the county of Northamptonshire, but the road network in the county is not good enough to cope with it. At Government level, the Highways Agency is dragging its feet on proposals to improve the A14, and the Department for Communities and Local Government needs to have a serious discussion with the agency about that. I must tell the Minister that his housing expansion plan in Kettering and north Northamptonshire will simply not be achievable unless there is a sensible solution to sorting out that road, and sorting it out fast.

Kettering also needs an eastern bypass before housing expansion goes ahead. There are proposals for up to 5,500 extra houses to be built to the east of Kettering. At the moment, traffic travelling there goes through the villages of Weekley and Warkton. Warkton is a very small village, almost a hamlet, and the road that goes through it is a C-class road—the busiest in the county. If proposals to build up to 5,500 houses to the east of Kettering are adopted, that road will become an absolute nightmare, not just because of the volume of traffic but because of construction traffic. There is an urgent need for an eastern bypass to relieve Weekley and Warkton of that traffic.

Mr. John Leech (Manchester, Withington) (LD): I have been listening intently to what the hon. Gentleman has said about Kettering and the surrounding area, with which I am not familiar. As a fellow member of the Select Committee on Transport, does he agree that what is important is improving not just the road network, but public transport in the surrounding area? That is a far more vital component of a sustainable community, because if we just build more roads, we will just create more traffic.

Mr. Hollobone: I agree with the hon. Gentleman. In the plans for Northamptonshire, there is a clear commitment to what is called multi-modal shift, which apparently means getting people out of cars and on to public transport. In the proposals for new housing expansion in the county, the county council has an ambitious target of 20 per cent. multi-modal shift. The problem is that, although the Government say they are encouraging such a shift to public transport, they are not funding it. In counties such as Northamptonshire, where infrastructure is cheaper than in some other development areas such as the Thames Gateway, the Government are not rewarding value-for-money schemes. Every pound of extra investment in Northamptonshire would go further in encouraging multi-modal shift than a pound spent in other expansion areas. The penny does not seem to have dropped with the Government that they could achieve a lot more if they looked to areas such as Northamptonshire to deliver the housing expansion that they require.

People in the county have picked up on that point. A local developer contacted me ahead of today's debate, stating:

> "The main point is Government should be investing where it achieves best value for money. I would seek to make it clear to the Minister that North Northamptonshire is pre-eminent in the delivery of housing for the Sustainable Communities plan. Building more houses per annum than Milton Keynes which in turn as the MKSM growth area is a substantially greater housing area than Thames Gateway which receives far more Government interest and funding."

The local councils in north Northamptonshire are doing their best to ensure that the Government's housing expansion programme works sensibly. They could have taken an alternative view and said, "We are not going to co-operate at all. This is a Government plan, local people don't want it." Local people do not want housing expansion on such a scale, but Her Majesty's Government have placed a statutory duty on Kettering borough council and the other local authorities to make provision for the extra housing, and the local authorities have taken the pragmatic view that they will co-operate with the Government to deliver the plan as best they can and to maximise the involvement of local people in its preparation. That is a pragmatic and sensible way forward, and they are doing their best.

Local councils are at the forefront of trying to persuade local people that the plans can work, but they are having their feet pulled from under them by the fact that, time and again, the Government's infrastructure

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commitments have not been delivered. Another example of that is Kettering's rail service. One might think that if the Government were going to increase the population of the borough by a third by 2021, they would want to improve the rail service to Kettering; in fact, with the franchise changing last month, the new operator, East Midlands Trains—part of the Stagecoach Group—has proposed dramatic cuts to the train service to Kettering from next December. The reason for that, to quote a Government official in the Department for Transport, is that the reduction in Kettering services is a direct result of the introduction of a new service to Corby,

> "due to limited capacity on the mainline".

Weekday peak evening services from London to Kettering will be cut by a third; Saturday day-tripper services will be cut by 40 per cent. and the number of trains north from Kettering to Sheffield, Derby and Nottingham will be halved. In effect, Stagecoach is saying that it wants to take away Kettering's inter-city status and make the service just outer-suburban. That does not fit with the Minister's plan to build a sustainable community in Kettering.

Given the 52,100 extra houses that are to be built in north Northamptonshire by 2021 and the need to create an extra 47,000 jobs to go with those houses, what sort of message do such extensive cuts to the local rail service send to the local business community? It now appears that the Government, through the Department for Transport, have been involved in encouraging the new operator to make cuts, to speed up train services to more distant destinations such as Sheffield, Derby and Nottingham. That is a perfect example of the Government not fulfilling their commitment to local people to provide infrastructure first—before jobs and houses.

We cannot have local councils busting a gut to introduce plans to accommodate all the extra housing on one hand, while on the other a major transport provider for the area is seeking to scale back its services to that extent. I strongly encourage the Minister and his colleagues in the Department for Transport to get involved and to ensure that Stagecoach does not proceed with those proposals. Last night, I presented to the House a petition objecting to the proposed cuts in the rail services, which has been signed by 2,485 local Kettering residents.

Local roads in the county also need urgent attention, but are not getting the funds they need. Kettering has always been the capital of north Northamptonshire, and the county town is Northampton. One would think that the road between the county town and the county's second town would be one of the major road arteries in the county, but not a bit of it. Instead, the A43 between Kettering and Northampton is the most dangerous and congested road in Northamptonshire. The county council has recently reprioritised that road in its local transport plan, but the regional funding allocations, which are determined by the east midlands region, mean that the pot simply is not big enough for money to be directed to that urgent scheme. The population in the county is set to increase by at least a third, but the main road between the two largest towns in the county cannot attract the funds needed for improvements. It simply is not good enough for the Government to say that such work must be funded by developers. They have to understand that the infrastructure deficit in the county is so big that if the developers have to pay for it all, they will not come to build houses there.

As my hon. Friend the Member for Castle Point and the hon. Member for Manchester, Withington (Mr. Leech) have commented, roads are not the only issue. We require more than one-off infrastructure investments. There must be a recognition that the populations of counties such as Northamptonshire are increasing anyway, not only as a result of the sustainable communities plan. I refer hon. Members to evidence from Bob Lane, chief executive of the North Northants Development Company, who rightly said:

> "There is no doubt that official statistics are underestimating the population and this is exacerbating the problem created by the lag that always occurs in growth areas between people arriving and demanding services and the government formula recognising the existence of people in that particular area. This is proving a particular burden obviously to health, education, policing and other revenue based services and from NNDC's point of view could affect housing completions because people may choose not to move to an area where these services are clearly under pressure."

That message from the highly respected chief executive, Bob Lane, in whom the Government have a lot of confidence, should send alarm bells ringing in the Minister's head. Mr. Lane is absolutely right: the quality of life of people coming to new housing areas in north Northamptonshire, and of the people who live there now, will be adversely affected if the Government do not appreciate the scale of the ongoing revenue commitment required to fund local services.

Kettering general hospital is working at breakneck speed to treat an ever-growing local population. It is not only people from Kettering, Corby and Wellingborough who use those services; people from Market Harborough, Leicester and further afield also use them. It is a well respected and hard-working local hospital, but there is only so much that it can do without Government recognition of the pressures that it is under.

Local schools are full, and it is difficult to get one's child into the school of one's choice. All the good schools are full, and some of the not-so-good schools will also be full. There seems to be a lag in the provision of new school facilities whenever a new housing proposal comes forward. I know that the local county council has a role to play, but the Government need to recognise that when they allocate funding to local authorities such as Northamptonshire county council.

There are not enough police in Northamptonshire, partly because the Government funding formula for local policing is skewing money into the police community support officer programme and taking it out of the programme for police officers with full powers. I know that is not the intention behind the formula, but the effect in Northamptonshire is that although there are more PCSOs, there will be fewer police officers on the streets. I suggest that if the population is to increase by one third, we need one third more police officers, but little assurance is being given to the chief constable and the Northamptonshire police authority that that is the Government's intention.

Bob Spink: May I make a brief point before my hon. Friend concludes? Homelessness and inadequate housing concern us all, particularly at this time of year. Does he agree that there is no inconsistency in calling for more social and low-cost housing while also calling for lower and more responsible levels of development?

Mr. Hollobone: There is no conflict. The Government must realise that developers cannot pay for everything. Yes, we need them to pay for some of the social housing and extra infrastructure that the Government want and local people need, but they cannot pay for it all. The Government must recognise that if the sustainable communities plan is to work as they intend. They must join up government better, and the Minister and his Department must take the lead, because it is their plan. The Minister must also recognise that much more money will be required; otherwise, the communities that are created will not be sustainable. Communities such as Kettering are crying out for extra social housing—there are 2,700 people on the local council's housing waiting list. I hope that many of the new homes that are built are affordable houses, but the Government cannot have it both ways. They must get out their cheque book to ensure that those communities are sustainable.

In conclusion, I hope that the Minister has got the point. I am not making a party political point, but speak on behalf of local residents of all political persuasions, or none, who enjoy living in Kettering. I also make a plea on behalf of all the local councils, which have got together to co-operate with the Government and to ensure that the programme is delivered effectively. My main message is that there is a real problem: local people were promised infrastructure, jobs and houses, but it looks as though they will get lots of houses and not enough infrastructure or jobs. That should cause the Minister serious concern.

Several hon. Members *rose*—

Mr. Eric Martlew (in the Chair): Order. Gentlemen, I would like to start the winding-up speeches at 10.30.

10.10 am

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your chairmanship, Mr. Martlew. I am sure that we agree on many matters, and we fight with a common spirit as we represent one third of the constituencies in the county of Cumbria. I pay tribute to the hon. Member for Kettering (Mr. Hollobone), who raised important issues about the infrastructure that is necessary for new housing developments in his constituency and many others.

I would like in a brief time to turn the matter on its head. The hon. Gentleman pointed out that the Government's plans for housing development in his part of the world are over-ambitious, or at least the infrastructure that is being provided is insufficiently ambitious to match the plans. I represent Westmorland and Lonsdale, which contains a large chunk of the Lake district and also a significant part of the Yorkshire dales and much other attractive countryside in south Cumbria. What we have there is, perhaps, a lack of ambition when it comes to the provision of new housing, specifically affordable housing. In the next few minutes, I shall encourage the Minister to consider making provision to allow building where infrastructure already exists, in a way that underpins and safeguards that infrastructure.

In a nutshell, the problem in south Cumbria is that average house prices are around £250,000 and average incomes are some £17,000 per year. One does not need to be a mathematician to work out that that means that the average person is stuffed when it comes to getting a mortgage for a home.

We also have a problem in that three quarters of our social rented homes—council houses—have been sold off in the past 25 years. The local authority in my area, South Lakeland, is working hard to increase the number of social rented properties, but it is starting from a poor and low position. Some 28 per cent. of our young people leave the area and never return, and the principal reason for that is expensive houses without the commensurate work to enable people to afford them.

I and other people have been seeking solutions to the problem. There will not be a one-size-fits-all solution. We have been looking for innovative ways of tackling the problem. One potential scheme that I have come up with and have worked with others on is something that we dub "home on the farm". I am pleased to say that it has received formal backing from the president of the National Farmers Union.

I estimate that in my constituency several hundred affordable, social rented properties could be created in buildings that already exist—that is, underused or disused farm buildings. The buildings already exist, as does the infrastructure to underpin them. Typically, on many farm sites there may be a disused or underused farm building in which one could create two or three affordable, social rented cottages. Two of them might be put into the general social housing pot for the district, and the third would be an agricultural tied cottage. In my constituency and many others, a principal problem with the sustainability of farming, particularly in the uplands, is anybody being in a position to take on the tenancy or ownership of a farm once the farming couple reach retirement age. It would be wonderful if one could provide a social rented agricultural tied cottage on site. Typically, it would be a place for the daughter and son-in-law, or son and daughter-in-law, of the farmer to live in, and then the couples would swap when the older couple reached retirement age. As I said, the other two houses would be put in the social rented pot to try to alleviate the pressure on the local housing market.

Such a scheme would help to underpin and make use of the existing infrastructure of local farming, help to ensure sustainability in a vital industry in our area, and maintain the countryside that other Members' constituents love to visit. It would also be important in trying to keep young people, families and people of all ages in rural areas.

In relation to underpinning infrastructure, I think of a village that I represent. The school in Satterthwaite, which is near Hawkshead, closed last year. Ironically, it is about to be converted into affordable housing. If there had been affordable housing in the village five years ago, the school would not have shut. If we can create living, vibrant communities in places such as those that I represent, we will be able to safeguard our schools, post offices, public transport routes and so on, prevent young people from leaving and create balanced communities.

I simply ask for a reclassification of existing buildings to brownfield sites to allow development for the exclusive, narrow purpose of providing affordable rented accommodation. Guidance should be given not just to local authorities and district councils but to national

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parks, which also hold the reins on planning in areas such as those that I represent. One of our great problems, understandably, is dealing with people who say, "Not in my backyard." The wonderful thing about this scheme is that it calls for development in the backyards of people who desperately want it.

10.15 am

Peter Luff (Mid-Worcestershire) (Con): I congratulate my hon. Friend the Member for Kettering (Mr. Hollobone) on the way in which he introduced this important debate, and on the passionate plea that he made for his constituents. Similarly, the hon. Member for Westmorland and Lonsdale (Tim Farron) made a passionate plea for his constituents and helpfully demonstrated how different the questions of house building and infrastructure are in different parts of the country. In the time remaining, I would like to make a similar plea on behalf of my constituents in Worcestershire, which I believe also has broader national policy implications.

I was interested particularly in my hon. Friend's final remarks about the broader quality of life issues that are at stake. When people hear the word "infrastructure", they often think just about roads, and possibly railways, but infrastructure is actually so much more than that, as he rightly said in the concluding part of his speech.

Three aspects of infrastructure most worry me when considering the prospects that face my constituents as a result of significant increases in housing. Rail networks are the element of public transport that can play a real part in relieving some of the pressures in my county. If we had decent co-ordination between cars and rail, decent car parks at railway stations and, by the way, a decent rail line to London—that is another matter—we could see a big shift to public transport. The problem too often is that one cannot leave one's car at a railway station.

The hospital service in my constituency is at breaking point. I now fully admit that I was wrong to support the construction of the Worcester Royal infirmary at its current size—it is too small to serve the existing population of the county. An additional significant population coming from whatever process—I shall come to one specific issue later—will stretch that hospital beyond its capacity to serve my constituents.

Another issue that is crucial but does not get much attention is how we deal with refuse and waste. That system, too, is under huge pressure and strain in my constituency, and additional house building will put it in a serious situation.

Of course, roads, public transport and bus services are important. Schools are also important, but as there is some decline in Worcestershire school populations at present, schools may be able to cope with the increased development. Getting energy to the new houses is important, as are water and sewerage, and, as my hon. Friend rightly said, the emergency services. Leisure services and open spaces are part of a community's infrastructure, too. We must not lose our open spaces by cramming houses into existing urban areas. I particularly draw attention to flood defences and flood protection work, which are part of the infrastructure in my constituency, and which new house building in the wrong location threatens.

The problem is that we are trying to work out what we need to do while steering a course between the Scylla and Charybdis of two different and conflicting parts of Government planning policy. Perhaps I should call them, in the spirit of the season—a happy Christmas to you, Mr. Martlew—the ugly sisters of planning policy: the regional spatial strategy revision and the joint core strategy. I congratulate the *Worcester News*, my local paper, on its attempt to make those two arcane subjects comprehensible to the people who live in south Worcestershire. They are difficult subjects, and people find it difficult to wrestle with them, but they have huge implications for house building and infrastructure in my constituency and also in Worcester city and Malvern Hills.

The problem is that the timetable for the joint core strategy, which is how the local districts decide how they will provide housing and the infrastructure to support it, is out of sync with that of the regional spatial strategy revision. The RSSR second-phase numbers have been agreed. They are high—higher than I would like—but we can probably just about cope with them. The problem is that Worcester city is full and my constituents have to take a large proportion of the houses that are actually Worcester city houses.

My concern is that the Government, when it comes to the examination in public, will actually increase the numbers. At present, the joint core strategy is being consulted on locally and effectively by the three district councils. They have come together in a joint strategy, which is really good and helps to get a picture across south Worcestershire, but they do not know the final housing numbers for which they will have to cater. The questions are being asked the wrong way round. The joint core strategy should be decided a year later when we know what the housing situation is.

However, it is even worse than that. Phase 3 of the regional spatial strategy has only just begun. It looks at some important issues for my constituents: rural services; Gypsy and Traveller sites; culture; environment, including flood risk, air quality, renewable energy and green belt; and minerals. We are conducting our joint core strategy before we even know what the regional assembly will say about those things, never mind what the Government will agree to. It seems a bizarre way in which to run something.

I entirely agree that we need more houses in south Worcestershire. I am not someone who says that we cannot build them. Clearly, the existing population is ageing, household formation rates are increasing and we need some more new houses. However, I have doubts about the levels. I think that the Government have over-predicted on immigration. They have taken three years of very high immigration levels and projected them into the future. They should have projected the last 20 years, and then we would have seen a lower demand for new house building, but that is a separate debate. I agree, though, that we need more houses and more affordable houses, which my hon. Friend mentioned in his speech. There is a serious problem with affordable housing in my constituency. I am not one who says that we should not have houses, but I think that we are probably being asked to provide too many at present, and the Government risk asking us to provide many more. We must ensure that a good number of those houses are genuinely affordable and not built by developers to meet a market need that they perceive for themselves, rather than the market failure that affordable housing should address.

If we do not know how many houses the Government are going to ask us to build in Worcestershire, I do not see how can we plan or fund the infrastructure in an intelligent way. Here, I bring in the pantomime villain of the piece to go with my earlier metaphor of the ugly sisters. On top of the regional spatial strategy plan numbers and the uncertainty of the south Worcestershire joint core strategy, the Government are considering plans to build two eco-towns in my constituency. One is entirely in my constituency, on the old RAF airfield at Throckmorton, and the other is two thirds in Warwickshire, in the constituency of my hon. Friend the Member for Stratford-on-Avon (Mr. Maples), and one third in my constituency.

The trouble is that we know nothing about what those plans involve. We can only guess how many houses are being proposed by the developers. We do not know the criteria that the Government will use to assess whether those towns should go ahead. We know and understand that they will have their own local infrastructure, but they will also put huge demands on the wider infrastructure of south Worcestershire, particularly on the things that worry me—the railways, the hospitals, the waste disposal systems and the rest. I am worried that the Government are saying that those eco-towns will be in addition to regional spatial strategy plan numbers. They may be playing a very clever game. Although we have the West Midlands regional assembly's preferred numbers, I bet that the Government will up those numbers miraculously next year to meet whatever number of eco-town houses they are trying to impose on my constituency. Technically, the numbers will be within the regional spatial strategy plan, but the Government will have been shuffling around and doing some very clever arithmetic to justify their numbers.

Initially, when the eco-towns were proposed, my constituents did not seem too concerned—after all, everything that is eco is good. If the word "eco" is put in front of anything, it makes it acceptable. One councillor spoke to me about the Government's proposal for the eco-town at Throckmorton, where the Government have previously tried to build an asylum seekers centre, which was rejected, and where they have dumped large numbers of diseased cattle—they probably were not diseased—from the foot and mouth epidemic. I do not know what the Government have got in for Throckmorton, but there we are; never mind. The ambition was to ensure that half of the houses were affordable, which sounds great. We would have an eco-town with affordable houses. One could not possibly oppose such a magnificent combination. It would be like being against apple pie or against Christmas.

However, if that town is to be a genuine eco-town, to be sustainable, and not to put a burden on the wider infrastructure of south Worcestershire, and if half the houses are to be affordable, half the jobs provided locally must be affordable, too. I do not think that planners can get right that magic equation in which all the people who live in the new Throckmorton super eco-town will also work in the same town. No, they will get in their cars and drive, putting a huge strain on the infrastructure and damaging the environment. We do not know what criteria the Government are using to assess the eco-towns. We do not know how big they are going to be. We know nothing about them. Freedom of information requests have failed and parliamentary questions have produced very little. Three district councils are trying to plan their joint core strategy and their infrastructure, without knowing what the regional spatial strategy numbers will be or how many eco-towns they will have imposed on them. It is absolutely ludicrous.

The district councils should not commit to the location of any of the housing that they need to find under the regional spatial strategy plan until they know what those eco-towns are and how the infrastructure is going to be funded and planned. I am not saying that the Government necessarily have to find all the money for the infrastructure. The Milton Keynes model—the roof tax for providing private sector developer money for infrastructure—is a good one. I am not saying that we necessarily need to use public money. But we must know the precise mechanisms that will be in place to deliver the money that we need to fund the infrastructure for these new houses.

If we get that wrong, not just the people in the new houses, but the people in the houses that are already there will suffer. Their quality of life is at stake, too. Getting to London from my constituency is already a nightmare. The roads are at breaking point and the railway cannot cope. Fifteen years ago, that journey was an acceptable part of my life; now it is one of the most unpleasant features of it. Putting in massive new numbers of houses on that infrastructure will compound the problem and make existing residents' lives miserable, as well as failing to provide a proper quality of life for the people who will live in those new houses.

It is this failure to understand the impact on current residents that I want to drive home. I say to the Government, please be more open with us now about the eco-towns and tell us how big they will be. Will they have 5,000 houses or 20,000? That is the range of possible numbers. Please tell us what assessment will be made of the impact of the infrastructure on the area and on other towns around it. If a new eco-town is built at Throckmorton, what impact will it have on the very attractive Georgian market town of Pershore, which is only a couple of miles away? How can the Government decide that it is right to go ahead with that eco-town when they do not understand the dynamic of south Worcestershire and the possible impact on the town of Pershore, which lies outside my constituency in that of my hon. Friend the Member for West Worcestershire (Sir Michael Spicer)? Therefore, big questions about those eco-towns must be resolved.

I also ask the Government to tell us in precise detail how the infrastructure that we need is going to be funded. If we do not have that detail, we cannot plan with any confidence. One of our key jobs as constituency MPs—my hon. Friend the Member for Kettering and the hon. Member for Westmorland and Lonsdale did this very well in their opening remarks—is to defend the interests of our constituents. The Government are tying our hands behind our backs as we seek to do that. I hope that the Minister will shed some light on the issue.

10.28 am

Paul Holmes (Chesterfield) (LD): I congratulate the hon. Member for Kettering (Mr. Hollobone) on securing this debate. He has given us a very detailed exposition and analysis of the problems facing a growth area such as Kettering. It is an area that he knows far better than I do, so I will not try to go back over the detail of that local case, which has been more than eloquently laid before us.

The hon. Member for Castle Point (Bob Spink), my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) and the hon. Member for Mid-Worcestershire (Peter Luff) gave different examples, but all made the same point. Many of the problems outlined in the opening speech are common across huge parts of the country and are seen not only in the specific high growth areas designated by the Government. A number of common themes have emerged from the speeches of the hon. Members who have contributed so far. One such theme centres around the question of housing growth. From the Government's point of view, that growth is concentrated in a number of handpicked high-growth areas in which the sheer volume of housing that is to be provided will cause enormous problems and strains on the surrounding infrastructure. The issue of jobs was also raised. If sustainable communities are to be created, jobs need to be created in the locality of the housing.

This country has a generally inadequate road system, and public transport is very inadequate compared with that in most of our continental counterparts. In some growth areas, there will be tens of thousands of new houses—for example, 160,000 in the Thames Gateway—and we cannot have such large conglomerations without public transport and road transport infrastructure, particularly if people must commute long distances to find work elsewhere. If growth areas are in the London satellite areas, it will be impossible, given the state of the infrastructure, for residents to commute to London. Even if the infrastructure could be improved to cope with that amount of commuting, would one want that? How would that fit with our commitments on tackling climate change, for example? If we are to have truly sustainable communities, we must look not just at an area's transport infrastructure—roads and public transport—but at the development of local employment in tandem with growth areas.

Hon. Members have touched on other areas of infrastructure and given local examples, such as the provision of schools, hospitals, shops, community facilities, water, sewerage and so on. The hon. Member for Castle Point spoke about schools and asked what would happen in areas where schools had been closed, or were bursting at the seams—one example was in Kettering—because tens of thousands of new houses had been built. Does one wait until the problem has developed and then provide the schools, or does one plan ahead, which creates funding issues?

Only two weeks ago, some of us were debating a similar issue concerning Aylesbury Vale, another housing growth area, which is south of Milton Keynes, and the same issues arose. A specific issue in Aylesbury Vale is pertinent to some of the points that hon. Members have made about water, sewerage and power supplies. In one area the proposal was for 4,000 to 6,000 new houses, but the electricity company said that there was no capacity for delivering electricity to the area without building a new sub-station, which would cost £6 million up front. The electricity company could not provide that money up front and said that someone else would have to raise it. Who will provide £6 million up front to supply the electricity infrastructure to allow those 4,000 to 6,000 houses to be built? One cannot have one without the other, but where will the up-front money come from? There are other examples, and I shall return to one when I look at possible solutions.

North of Chesterfield, the Brimington and Staveley area runs up to the M1, where a large development is under way to create a new motorway junction—29A—and a large industrial park on an old colliery site. Over the next five, 10 or 15 years, it will become a major employment area for a deprived coalfield community stretching from Chesterfield to Bolsover. The Government may create a motorway junction and the huge industrial park on the reclaimed colliery site will create jobs. However, it will also generate a huge amount of traffic—and not just extra traffic on the M1, for which lane-widening is already being considered because it is so congested, but extra transport on the existing road infrastructure through Staveley and Brimington to Chesterfield, and the other way from Chesterfield through Brimington and Staveley up to the huge new industrial park that will be created.

The Brimington and Staveley area has been promised a bypass since 1936, but the money has never been available, although it was promised repeatedly, usually around the time of county council elections. The bypass never happened, because the money was not available. The county council and the Government say that even to think about the bypass is not on the books, but when the industrial park near junction 29A is up and running in five, 10 or 15 years with the additional employment and the additional transport problems on the road through Brimington and Staveley, which is already too congested, they will think again about a bypass. We shall create the problem and then think about a solution. That is the wrong way round, as we have heard with the other examples of schools, sewerage, electricity supply and so on. Those are common problems.

The hon. Member for Kettering said that the East Midlands Development Agency should put more money into major road infrastructure in the Kettering and Northampton area, but Chesterfield is in the far north of the east midlands region and we want some of that money for road infrastructure in our area—for example, for the Brimington and Staveley bypass. The danger is that we will rob Peter to pay Paul, unless infrastructure is planned systematically. Those problems are common throughout the country.

What are the solutions? Hon. Members have suggested that some of the major growth areas, which the Government have handpicked in willing partnership with local councils, are too large. Should we be looking at spreading them out? In my area, Derby is a growth area. It is a small city and has been selected by the Government for considerable growth, but some people in Derby are asking whether they want that with the accompanying infrastructure problems and huge population growth. On the other hand. Chesterfield, which is not far from Derby—about 20 miles further north—has been restricted to 280 new houses a year, but we want further expansion. We are recovering from the massive unemployment that followed pit closures and then the loss of engineering works, and we need more housing than we have been allowed.

My hon. Friend the Member for Westmorland and Lonsdale spoke about homes on farms for people in lower income brackets who cannot afford to buy in the normal way in a popular tourist area such as the Lake district. The problem is the same in Cornwall, and similar in Derbyshire. Some of the new homes in growth areas such as Derby are for people who will commute from the suburbs to low-paid jobs in the Derbyshire Peak district. They cannot afford to live in the Peak district because the houses are either in the upmarket commuter belt or are second homes. It would be more sensible to look at planning issues throughout the country rather than focusing on huge growth areas because we would minimise some of the problems.

Another issue concerning solutions is infrastructure funding. The pre-Budget report referred to £1.7 billion of targeted funding, which is a step in the right direction, but only for growth areas. The Milton Keynes levy from 2005 has been held up as a great example throughout the country of how to raise money for infrastructure. The community infrastructure levy in the Planning Bill, which has just started its progress through Parliament, is another step in that direction. Many people would say that it is based on the Milton Keynes roof tax idea. The Bill, which has only just been presented to Parliament, contains 10 sketchy clauses with almost no detail of how it will work, but it will be some time before it is implemented.

The community infrastructure levy will not completely solve the funding gap. In Aylesbury, £6 million was required up front to provide the electricity capacity for new homes. In Ashford, the Highways Agency vetoed the building of new houses because of the pressure that they would cause on the M20. Taylor Woodrow said that it would put up £7 million to improve capacity on the motorway and that Ashford council could repay it over a number of years as it received levies from developers. We need more up-front funding, and cannot rely totally on piecemeal funding from this or that company. Otherwise, many such developments will be stymied. The Government and regional agencies must consider providing up-front funding.

We need less Government diktat, particularly in large growth areas, and more joined-up planning and more thought about up-front funding for infrastructure before houses are built, not after problems have been created.

10.38 am

Robert Neill (Bromley and Chislehurst) (Con): It is a pleasure, Mr. Martlew, to see you in the Chair. I join other hon. Members in wishing you and everyone else the compliments of the season on our last sitting day.

I congratulate my hon. Friend the Member for Kettering (Mr. Hollobone) on securing this debate on an important issue. He has been assiduous in raising his constituents' concerns about this and related topics throughout his time in the House. I pay tribute to his work in that regard, and I am delighted that he has given us the opportunity to debate the matter today.

The debate has been worth while and constructive, and I am grateful for the contributions from other hon. Members. It is interesting that the common thread running through the observations is the need to provide infrastructure if there is to be a sustainable supply of good-quality housing. Those elements must all be equally stressed, which is why the sequential approach taken by the borough council leader in my hon. Friend's area is so important. A real concern for many of us, however, is that that approach does not appear to have been taken in practice, and we look to the Minister today to deal with that. If we do not provide transport infrastructure or, as other hon. Members have said, the social, education and health infrastructure to go with it, existing communities will inevitably resist new development and we will be in danger, as many professionals have observed, of creating the sink estates of the future.

Such problems are apparent to me as a London Member of Parliament, although London has not yet been mentioned. My constituency borders the Thames Gateway, and I know that the Minister takes an interest in the project, but I am sorry to say that, so many years on, the Government's handling of it remains disjointed. Such condemnation is all too typical of much regeneration and growth policy, and the Thames Gateway project has been described—rightly, I fear—as an alphabet soup of disparate agencies, none of which are pulling together. In that respect, it was useful to hear the observations of my hon. Friend the Member for Castle Point (Bob Spink), who represents part of the gateway.

I am grateful to the hon. Member for Westmorland and Lonsdale (Tim Farron), who made a number of important points. Among other things, he stressed, as Conservative Members always have, that there cannot be a one-size-fits-all solution—there needs to be much more flexibility. If there is a criticism to be made of the Government, it is that their top-down, centralised, target-driven approach is too one size fits all to meet current needs, and I hope that the Minister will address that.

My hon. Friend the Member for Mid-Worcestershire (Peter Luff) dealt with the important impact of development on the quality of life of current residents. As I hope that I have suggested, it is important that we deal with that if we are to get existing communities to buy in to development. That links to the need for openness—not only in terms of eco-towns, but generally—and for precision about funding, which is a key point.

In London, that has been an issue in relation to the long-running Crossrail saga. In my constituency, people are still waiting for the delivery of the Thameslink rail link, which is a key piece of infrastructure. Thameslink 2000 is now likely to arrive in about 2016, which is a pretty significant delay, even by the standards of South Eastern Trains. That lack of precision and clarity causes many people to believe that the projects will not be delivered and that we will create rather soulless dormitories with inadequate links. In that context, the hon. Member for Chesterfield (Paul Holmes) made a hugely important point about the need for local employment, but the issue has perhaps not been sufficiently addressed.

I have great regard for the Minister on a personal level, but the Government have so far failed to tackle the issues before us. The Housing and Regeneration Bill

[Robert Neill]

gives us no confidence that Ministers have learned the necessary lessons, because it, too, is predicated on a centralised, target-driven strategy. It simply is not adequate to pile target upon target or, as the Bill does, quango upon quango; that is not the way to get communities to buy into the projects that we need. I do not doubt the Government's good intentions, but Ministers must unfortunately face the fact that their performance does not match their good intentions. They are building fewer homes, including social homes, than the previous Conservative Administration; their targets are not delivering on the ground, and that is the key issue.

The Planning Bill, which proposes a community infrastructure levy, falls into the same trap. As the hon. Member for Chesterfield said, it is sensible to look at the means by which local communities can harness the added value of development, but the CIL, as currently proposed, seems extremely remote and potentially bureaucratic. It is administered at a rather distant, regional level and breaks the key link between the local community, where the development takes place, and that community's ability to have a say over where funds will go and what projects it will finance and support locally. If local people are to buy into development, such decisions must be taken much closer to them, rather than at regional level.

In the spirit of Christmas, I am prepared to offer the Minister one or two potential goodies, and perhaps he will want to steal them from our bag. I hope that the Government will look more favourably at giving communities incentives to recognise that it is in their enlightened self-interest to welcome development. That requires them to be certain, as my hon. Friends said, that infrastructure will be properly funded and delivered. That requires the Government to be open about the fact that confidence in their official population statistics has collapsed in many parts of the country. In growth areas in much of the south-east, local authorities of all parties have raised concerns about the fact that current statistics do not adequately reflect population growth and, therefore, that funding formulae do not adequately reflect the real population on the ground. That creates pressure on existing populations and makes them even more resistant to new development, which could, if properly funded, be of great benefit. The Treasury's unwillingness to move away from Office for National Statistics formulae, which are now largely discredited at all levels, is, with respect, a serious mistake, and I hope that the Minister will look at the issue again.

I also hope that the Minister will look at some of the proposals that we have had from others with experience in this field, including Lord Heseltine, who had a pretty good track record on regeneration, if I may say so. He has suggested that we look at the possibility of councils keeping the additional revenue from council tax and business rate growth, perhaps for five years or so, to give them an incentive to welcome growth. When I was a local councillor in the 1970s, it was useful for us to encourage commercial development in our area because we kept the additional revenues from business rate growth. I hope that the Government will seriously consider moving back in that direction.

Paul Holmes: Instead of keeping the revenue from the growth of business tax for five years, why not keep it for longer or, indeed, permanently? Should not all fundraising be in the hands of the local council, as would be the case with local income tax, as opposed to council tax? In that way, the council would have control over what happens in its area.

Robert Neill: Unfortunately, there was a time when some local authorities—not those controlled by the Liberal Democrat party or the Conservative party—stretched the limits of what local businesses could afford, and that damaged local authorities' credibility, although we are now moving towards a better situation. We must start from a position that commands the confidence of the business community and see how things develop. That is why it is worth the Government examining the details of the formulation that I suggested, and I hope that the Opposition, too, would look at the issue constructively.

On an issue that concerns rural and other areas, we should consider the greater use of community land trusts. That would allow us to build local homes and ensure that homes remained available to local people. That important need must be met.

I also hope that the Government will look more constructively at allowing local communities to introduce new social enterprise zones to promote social enterprise, particularly in disadvantaged communities. That is not the whole answer to the question of how to encourage local employment, but it is an important part of it.

There are therefore many positive things that could be done locally, but I regret to say that the current top-down, target-driven approach does not address them. I hope, however, that the Minister will give us some Christmas cheer by saying that he will look at the issues that we have raised and move away from the Government's needlessly rigid approach, which his heart is perhaps not really in.

10.49 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): It is a pleasure to serve under your chairmanship, Mr. Martlew. I wish all hon. Gentlemen who have participated in the debate a merry Christmas and a peaceful and prosperous new year. I hope that you do not have a good start to the new year, though, Mr. Martlew, because Carlisle United are playing Hartlepool United on new year's day, and I do not want you to see too much good cheer in that respect on 1 January.

I congratulate the hon. Member for Kettering (Mr. Hollobone) on securing this important debate, which has been conducted in a well mannered and well intentioned way. It has been incredibly useful, certainly for me, to tease out some of the arguments about housing and the necessary links with infrastructure. I shall several times stress in my speech that it is very important that housing and infrastructure should be integral; they need to be together, in parallel, to unlock the growth that is needed and to provide the sustainable communities that we require.

To return to first principles, we need more homes. That is becoming a political consensus now, across the spectrum. We have not been building enough homes since about the 1970s. Housing supply has not kept pace with demand. The hon. Member for Mid-Worcestershire (Peter Luff) referred to that most articulately. Society is changing. We are living longer and in different ways, including on our own. That needs to be addressed through the housing stock in a way that perhaps was not recognised 30 or 40 years ago.

We are not coming from a complete standing start. Housing growth numbers have increased, for new build, by about 40 per cent. since 2001, to about 185,000 new builds a year, but we need to go further. The projections are that 223,000 households are forming every year, so we need to build more to accommodate them. The Government have set a target of 240,000 homes.

Paul Holmes: The Minister just quoted the growth figure of 40 per cent. for house building, but does he accept that that is from one of the lowest levels since world war two? Three hundred council houses were built last year. That is the lowest level since before world war one, so we are starting from a very low base in the past 10 years.

Mr. Wright: I would go further and take a longer-term perspective. As I said earlier, I think that we have not been building enough houses for the country's needs since the 1970s. That is what we need to address, and I think that the Government have been quite ambitious in pushing forward. The hon. Member for Chesterfield and I are both on the Committee considering the Housing and Regeneration Bill, and are looking at the issue to ensure that we are addressing the needs in question.

I am very fortunate, as I expect are other hon. Members, in that I am a home owner. I was brought up to think that it was possible for me to own my home. I should hate it if in the next 10 to 15 years pressures on affordability were to lead to a situation in which housing was a source of inequality, home ownership was not the preserve of everyone, and good-quality housing was for an elite. We need to deal with that now, which is why the Government have put processes in place to do so.

Robert Neill: The Minister made a point about making good-quality home ownership available for all, and referred earlier to our not having built enough since the 1970s. How does he square that with the fact that, in 1979, about 107,000 homes were built by various social agencies—local authorities and social landlords—but that that figure fell to about 18,000 in 2003, and we have not got above about 24,000 since?

Mr. Wright: Hon. Gentlemen are making my points for me. We have not consistently been building enough houses for a generation. We need to deal with that, and the Government are putting in place the building blocks—literally—to do so to meet the housing needs of all society, rather than just a narrow elite, now and in the future.

It is not, however, only a matter of bricks and mortar. We took evidence in Housing and Regeneration Bill sittings last week, and I made the point, when I gave evidence, that although there is a target for 3 million homes to be built by 2020, it will not work if we simply plonk them in a field. We need the infrastructure to be in place. Modern development should consist of well designed homes in attractive environments, made sustainable by the right infrastructure, which, as hon. Members have mentioned, encompasses transport, utilities, green space, policing and flood defence.

Good design is also very relevant. I do not want quality to be compromised in any way because of the expansion of house-building targets. We need good-quality, well planned homes that meet the needs of the population and are in well designed areas where people want to live. My big fear is that in 20 years we shall have built homes that people do not want to live in, and will be putting more public money into them. They will not be sustainable and we shall have to think of regeneration areas for homes built between 2010 to 2015. That will not be good enough. The people of this country deserve better, and we have a lot to do. I want to stress in the strongest terms that the Government are committed to ensuring that housing growth is closely accompanied by the infrastructure necessary to provide sustainable development at local level.

Perhaps I may quote a passage from the 2007 pre-Budget report about increased spending on infrastructure:

> "It is essential that new housing developments are accompanied by the investment in schools, transport and other infrastructure needed to support flourishing and prosperous communities. The 2007 CSR has therefore been informed by a review into the investment needed to support the Government's housing ambitions...To support this strategy over the next three years the Government is providing £1.7 billion of targeted funding for infrastructure in Growth Areas, the Thames Gateway, New Growth Points and eco-towns, including £300 million to continue the Community Infrastructure Fund over the CSR."

It is essential that we should continue to do that.

I am getting to know the Milton Keynes and south midlands area very well, because I chair the MKSM inter-regional board. I am starting to love the area, and I am very impressed by the people. The inter-regional board is considering many issues associated with prioritising and co-ordinating the investment necessary to support housing growth in the sub-region. I was pleased to attend my first board meeting in Bedford earlier in the year, and I spoke at the second annual conference in Kettering, and greatly enjoyed it. However, I did not experience, on the ground in Kettering and elsewhere, the somewhat pessimistic tone adopted by the hon. Member for Kettering. I recently received a letter from Michael Hayes, the chief executive of the West Northamptonshire development corporation; I hope that he will not mind my quoting the letter, in which he says:

> "Your vision of an enterprising sub-region at the heart of the UK particularly echoed our thoughts. We agree that with our location, connectivity and potential skills base, our area can not only provide sustainable communities of the future, but be a principal economic driver for the wider nation."

He continued:

> "The conference was also a valuable opportunity to recognise the progress that has already been made. Since 2005, WNDC has been setting the foundations for an unprecedented period of growth and regeneration, helping to invest almost £30 m in local infrastructure projects, assuming planning control powers for strategic developments and subsequently attracting considerable amounts of private sector investment into the area."

I see the area as a real can-do area, full of positivity and ambition. There are challenges, but a real opportunity for growth and opportunity has been seen,

[Mr. Iain Wright]

which can really drive the UK economy. I want to do all I can to facilitate and enable it.

The hon. Member for Kettering mentioned a couple of points about transport, and perhaps I may respond to them, as I know that he has a particular interest in that subject. As to what he said about the A14, I understand that the Highways Agency is looking into measures that would allow the new housing to be got under way while the current A14 could remain functional. That would include the prospect of something called ramp metering—a technique by which the amount of traffic joining the A14 would be managed by the use of signals, accompanied by sensors, to regulate the system and prevent the build-up of traffic on the adjacent local road network. I wrote to the hon. Gentleman recently in response to a parliamentary question and explained that

> "North Northamptonshire Joint Planning Unit has been developing a Core Strategy which is currently at the Examination in Public stage".

I added:

> "The Highways Agency has presented information to the Examination in Public to show improvements that can be made to the A14 to meet the anticipated housing trajectory."—[*Official Report*, 29 November 2007; Vol. 468, c. 688W.]

I understand that the Highways Agency intends to submit a report to Ministers in the spring, outlining potential interim and long-term solutions, and I await it with interest.

There is an awful lot more that I could discuss, but time will not allow it. I shall briefly refer to East Midlands Trains. It is for the company, working with Network Rail, to determine the exact timetable. I know that local stakeholders have been putting their views on detailed timetabling issues to the train operator in recent weeks. The hon. Gentleman mentioned a petition that he presented to the House yesterday, which I imagine will be a powerful driver in pushing the issue forward. My right hon. Friend the Minister of State, Department for Transport, visited Kettering recently and is taking a keen personal interest in transport issues, in the town and in north Northamptonshire. I want to mention that my right hon. Friend's father passed away yesterday; I know that the whole House would want to convey its sympathy to her.

As I said, housing and infrastructure are absolutely crucial. I wish everyone a merry Christmas.

Airport Policing

11 am

Mr. David Hamilton (Midlothian) (Lab): First, let me say that I appreciate that this is the last day before the Christmas recess, so I wish everybody all the best over the Christmas period and a happy and peaceful new year in 2008.

I am sure that the Minister is aware that airport security is a highly important topic. Airports are a crucial part of our economic infrastructure: in 2006, Heathrow alone was the base for nearly 500,000 aircraft movements and 6 million to 7 million passenger journeys. The CBI estimates the economic contribution of aviation to gross domestic product in the last year for which figures are available to be £11.4 billion, which represents 1.1 per cent. of the economy overall. Aviation contributed £3.6 billion to the Exchequer in 2004-05, and it directly or indirectly supports more than 700,000 jobs, which is more than the population of Glasgow.

The fact that airports are busy, open public places with huge economic importance makes them prime targets for terrorists. The events of 11 September 2001 in New York and Washington, the failed Heathrow plot in August 2006, the 7 July 2005 attacks on London tubes and buses, the Madrid bombings, and the July attacks in London and at Glasgow airport all stand as a stark reminder that airports and railways are vulnerable targets. I do not wish to devalue the efforts of local police officers in airports—they have done a tremendous job to protect airports such as Glasgow, where they provided a perfect example of how they can act.

Mr. Jim Devine (Livingston) (Lab): I congratulate my hon. Friend on securing this important debate. Is he aware that although local police are doing a first-class job, owing to the lack of a defined police force at airports, local communities are denuded of resources because police must go to airports such as Edinburgh, which he and I both use?

Mr. Hamilton: I thank my hon. Friend for making that point. In Edinburgh, Lothian and Borders police have an additional problem because they require resources for the Scottish Parliament, which is in their area. That is a problem for the police.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): I congratulate my hon. Friend on securing the debate. I must declare an interest in that I am a special in the British Transport police. Does he accept that specialist police for airports are overdue, and that the British Transport police would best provide such a resource?

Mr. Hamilton: My hon. Friend has identified where my speech is going. I shall answer his point later.

I should like to talk about the structure of police forces in relation to airport security. When preparing for the debate, I planned to talk about the number of airports with a continuous police presence and the number of police authorities both north and south of the border whose staff patrol airports. I tabled written questions to the Home Office to gather information on what airports provide a police presence, but my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing answered:

> "The uniformed police contribution to airport security in the UK is a local matter for the airport operator and the police force for the area concerned. Whether an airport is designated or not, neither party is required routinely to provide information centrally on the police presence."—[*Official Report*, 26 November 2007; Vol. 468, c. 190W.]

I find that alarming. It does not mean that the Home Office is unaware whether airports have a continuous police presence, or that civil servants are unaware of the position in individual airports throughout the country, but it is worrying.

Lorely Burt (Solihull) (LD): I congratulate the hon. Gentleman on obtaining this important debate. Is he as concerned as I am about who is responsible for paying for the police? That varies from area to area. Birmingham International airport, which is my local airport, pays for its policing, whereas smaller airports such as Coventry, which is next door, has its policing paid for out of the local precept, meaning that local people must pay for it. Does he share my concern that that is bound to lead to variation in the quality of the policing in different areas?

Mr. Hamilton: I am not sure about the last part of the hon. Lady's question, but I share her concern about how the police are funded from region to region and airport to airport, depending on the size of the airport. I shall address that point later. I do not believe that security would be affected however, because I would expect that to be at the same level at smaller and larger airports.

Throughout the UK, there are national organisations for drug enforcement, immigration, intelligence and customs. Those national organisations have a co-ordinated central structure—the point made by my hon. Friend the Member for Central Ayrshire (Mr. Donohoe). It therefore seems strange that the exact cover by uniformed police is not known. I cannot obtain the figures from the Home Office, but it is estimated that there are 140 airfields and airports throughout the UK. I believe that about 30 are substantial passenger airports—the hon. Member for Solihull (Lorely Burt) mentioned one of them. There are nine designated airports: England has London Heathrow, Gatwick, Stansted, Birmingham and Manchester airports, and Scotland has Aberdeen, Glasgow, Prestwick and Edinburgh, which is now Scotland's largest airport—

Mr. Devine *indicated dissent.*

Mr. Hamilton: Yes it is, and it continues to grow. Scotland has eight police authorities, three of which—Grampian, Stratchclyde and Lothian and Borders—cover the airports I mentioned. Judging by the written answer that I received, it seems that the Government have no idea what the police presence in each of the airports is. I hope that the Minister will explain how the Government co-ordinate the work of airports, local police authorities and the national agencies concerned with drug enforcement, immigration, intelligence and customs to co-ordinate airport policing.

That leads to the question of the structure of police forces at airports throughout the UK. Given that policing and counter-terrorism must go hand in hand, why do local authorities still provide the police presence at airports? There are two parts to the argument. First, removing airports from the responsibility of local forces would free those forces for regular community work, as my hon. Friend the Member for Livingston (Mr. Devine) said, although I do not wish to address that aspect now. Secondly and most importantly, a national—UK-wide—police force would be the best way to ensure the safety of all our airports.

The logical step would be to increase the scope of the British Transport police, which answers the question asked by my hon. Friend the Member for Central Ayrshire, who anticipated the direction of my speech well. The BTP has 2,774 police officers supported by 258 special constables, 210 police community support officers and 1,204 police staff. They cover 10,000 miles of track, more than 3,000 railway stations and depots, and the larger ports, at many of which there are railway headings.

Mr. Devine: I do not disagree with my hon. Friend's argument, but does he share my concern about reports over the weekend that said that nearly 10,000 people, around 15 per cent. of whom were from the Muslim community, were stopped and searched by British Transport police, compared with only 89 by normal police forces?

Mr. Hamilton: I shall come to that issue. Again, my hon. Friend has anticipated a question I wished to ask later because it came on to the Scottish network over the weekend via a Scottish Minister. As for the number of Muslims who have been stopped and searched in train stations, if that was what you were referring to—

Mr. Eric Martlew (in the Chair): Order. Would you speak through the Chair? I am not referring to anything, Mr. Hamilton.

Mr. Hamilton: Sorry, Mr. Martlew.

On the stops and searches to which my hon. Friend referred, I do not accept the premise that a disproportionate number of people from the Muslim community have been stopped. I understand that the figures might be interpreted that way, but the police are sensitive to and well aware of those figures over that period.

We should go further; we should also cover our docks. As I said at Prime Minister's questions, we already have a national police force, but all points of entry to the UK should be covered. Because the transport police are a specialist force, they can be dedicated to the specialist needs of the railway community; implement systems and structures to increase their effectiveness at all levels; create flows of information to the community about their aims and achievements; ensure that their staff are well trained and supported to enable them to deliver the highest possible quality of service; provide value for money in what they do; and be one uniformed police force dealing with all national agencies covering all ports of entry throughout the area.

That, in my opinion, is a common-sense way forward. The current service for airports provides no such structure. A new development in the security situation would have

[Mr. David Hamilton]

to be communicated to all local authority forces, then filtered down to the officers in question. I do not believe that to be a very effective way forward. However, if there were a single national police force with those powers, there would be only one chain of command.

There are specific issues relating to Scotland. As hon. Members will know, policing is a devolved matter in Scotland. That places a further level of bureaucracy between the information held at the centre of national organisations and officers. We now have national agencies that do not just co-ordinate their work through the local police authorities as they do in England, Wales and Northern Ireland; they also have to be mindful of the devolved Parliament in Scotland. That is an additional level of bureaucracy that they could well do without.

Mr. Donohoe: There is one other aspect of the policing of airports that perhaps my hon. Friend has missed. Glasgow Prestwick and Stansted are designated as the airports where an aircraft hijacked in the air will land. Such aircraft will land at either Prestwick or Stansted, and the police resources required for that run into the hundreds if not the thousands.

Mr. Hamilton: I was unaware of that and I am glad that my hon. Friend has drawn attention to the fact that two airports have been assigned for that purpose in the UK.

On "The Politics Show" on BBC television on Sunday 16 December—I imagine that it was the version shown up in Scotland—Kenny MacAskill, the Cabinet Secretary for Justice in the minority Administration in Scotland, spoke. During the programme, reporters showed segments in which they highlighted the following. Under anti-terrorism legislation since July this year, British Transport police in Scotland have stopped and searched 14,620 people and vehicles. However, throughout the rest of Scotland, where there are eight police authorities, only 135 people and items were searched by the police. Therefore, each of the British Transport police officers conducted about 73 stop and searches, while on average one in 12 Scottish local authority officers would have conducted a search. I must point out that 75 million people use Scotland's railways every year.

Mr. MacAskill, the Scottish Justice Minister, referred in an interview to the transport police allegedly harassing and interrogating the public by diktat from London—I assume that he means Westminster. He made the point about 14,620 stop and searches by the British Transport police in Scotland and only 135 by local authority police, but he forgot to mention that about 20 million people go through Scotland's airports, all of whom have to go through a search system. He forgot to mention that extremely important activity in which the police are directly involved.

I believe that the real reason for Mr. MacAskill attacking the transport police was that he believes that they should come under the Scottish Parliament. He is therefore trying to politicise the issue, which I believe is unfortunate and quite disgraceful. He even said that he would be pulling in the transport police to explain themselves to him. That is how he finished his comments on the programme: they have to come and see him to explain themselves, although he has no direct responsibility for the transport police in the UK.

It is clear that specialist policing will be put on the agenda. Her Majesty's chief inspector of constabulary for Scotland said in his recent annual report that

> "creating a robust national solution for the very important but relatively small volume of policing activity that could be managed above force level, is one as yet unrecognised but effective way of improving and sustaining local or community policing."

I suspect that that statement could be made by any chief inspector throughout the UK.

My purpose in initiating the debate is to highlight the fact that sometimes the simplest way of doing things is the right way. In this fast-moving world, we should be eliminating potential conflicts. Maintaining the status quo is not acceptable post 9/11. If it makes sense for all our agencies to work under a national umbrella, that principle should also apply to our uniformed police at airports and ports and on railways. I hope that the Minister will give the points that I have made due consideration.

11.14 am

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I congratulate my hon. Friend the Member for Midlothian (Mr. Hamilton) on securing this extremely important debate. I also welcome my hon. Friends the Members for Central Ayrshire (Mr. Donohoe) and for Livingston (Mr. Devine) and the hon. Member for Solihull (Lorely Burt).

I say to my hon. Friend the Member for Midlothian at the outset, in case I do not get to this at the end of my remarks, that I am perfectly happy to meet him to discuss the issues that he raised, with any of his hon. Friends whom he wishes to bring along who also wish to raise matters. That will enable us to discuss this issue further with officials at the Home Office and play a proper, constructive role in taking forward all the various points that he made in relation to trying to improve security at our airports. This should not be a party political matter; we all have an interest in ensuring that our airports are secure and safe from terrorist and other threats.

My hon. Friend the Member for Midlothian made an excellent speech that showed his wide knowledge of the issue, and we certainly need to address some of the points that he made. I hope that I will be able to address many of the points made by my hon. Friend and other hon. Members. If not, I am sure that my hon. Friend the Member for Midlothian will intervene at the appropriate time. That said, I think that the meeting that I propose would be a good way forward.

The Home Office deals with the funding of policing at airports in England and Wales; Scottish airports, as my hon. Friend will know, are dealt with by the Scottish Executive. Policing of UK airports is undertaken by both uniformed officers and special branch officers. Separate arrangements are in place for the funding of each. I agree entirely with my hon. Friend about the importance of policing at airports and the need for co-ordination, which we try to achieve. It is also important to ensure that the funding for all that is adequate and appropriate.

I shall give some general context for my remarks. The police have a multi-faceted role at the border, leading on intelligence work for counter-terrorism and serious crime, providing protective security and carrying out the policing of ports, the largest of which are sizeable communities in their own right. That is a significant deployment. My hon. Friend asked about this. There are 1,575 special branch officers at ports engaged in intelligence work alongside approximately 1,260 uniformed officers. I hope that that is helpful information for my hon. Friend.

The effect of that police deployment will be maximised through partnership working with the other border agencies. The creation of a new UK border agency, as announced by my right hon. Friend the Prime Minister on 14 November, therefore provides a unique opportunity to improve the processes through which the police interact with their partners.

Lorely Burt: As I understand it, when the unified border force was introduced, it involved the Border and Immigration Agency, Revenue and Customs and UKvisas. Can the Minister explain why the police have not been specifically included in that unified border force?

Mr. Coaker: I will come to a couple of the points that the hon. Lady mentioned. We made the judgment that the matter was better dealt with if the police were separate, but we would expect to see very close collaboration between the police and the new UK border agency. I will come to that specific point in a moment.

The police will be closely involved in the governance, development and tasking of the new agency, including the appointment of a senior police officer to its executive board. However, there is potential for further integration. We will discuss with senior police officers across the country the possibility of deeper police integration at the border, including the potential in due course for integrating the police and the UK border agency structures, but there is much to be gained from the initial step that we have announced, and we will not allow longer-term possibilities to impede that. That goes part of the way towards addressing what my hon. Friend the Member for Midlothian said about the need for the police to be closely involved at UK level with the various policing options.

Mr. Donohoe: One of the problems that my hon. Friend the Minister has is that he has no responsibility for the British Transport police, which has of course come under the auspices of the Department for Transport.

Mr. Coaker: That is one of the options that we must examine to consider how best we can use all the policing resources available to us, in order to integrate them at airports. My hon. Friend will know that one of the factors that we must consider with respect to the British Transport police is that currently they are not armed. Therefore, there is an issue about their deployment at airports. There is a range of different issues to consider. He and my other hon. Friends have made some important points that contribute to the debate, and we need to see how best we can take matters forward.

The UK border agency will be up and running, albeit in a shadow form, from January 2008. The public are already seeing a difference in our border controls, with a visible, uniformed presence at ports of entry across the country and the beginning of the roll-out of new UK border branding. Biometrics programmes, such as Project IRIS—iris recognition immigration system—are making a difference by automating border entry for legitimate travellers. IRIS has more than 140,000 British citizens and foreign nationals enrolled in the scheme and operates at nine terminals, with more than 600,000 crossings.

The single primary line is a combined checkpoint for passport control and customs, and it will be the focal point for border activity on arrival in the UK. Trials of the single primary line are under way at six sites. Based on the lessons that are learned from those pilots, the models will be rolled out nationally, with consistent UK border branding, throughout 2008.

Border and Immigration Agency and Her Majesty's Revenue and Customs staff are already working closely together, enhancing staff awareness of individual roles and integrating checks to strengthen effectiveness at the border. Again, that relates to the point made by my hon. Friend the Member for Midlothian that policing at airports is not just a police responsibility. There are a lot of agencies involved in providing security at airports. Agencies such as BIA and HMRC are important in that they work with the police to ensure that we have proper security at our borders and in our airports.

Lorely Burt: The Minister may recall that we had a number of security alerts at BIA during the summer. BIA's management has now got together to monitor all subcontractors on their sites to ensure that they are fulfilling their role. Is that initiative that is being rolled out countrywide, or is it exclusive to BIA?

Mr. Coaker: There is a national aviation security programme, which, as the hon. Lady will know, is the responsibility of the Department for Transport, and it is known as TRANSEC. No doubt the Department is considering the type of initiative that she has just outlined, along with a range of others across the country.

Some other important progress is not necessarily so visible. The freight targeting system is providing real-time risk assessment of freight movements. Launched in 2007, FTS 2 has contributed to the seizure of more than 9 million cigarettes, 20 kg of heroin and more than 2.5 tonnes of cannabis.

I would also like to remind hon. Members that an independent review of airport policing was completed in July 2006, the broad thrust of which was accepted by the Government. The key issue identified by the review is that uniformed policing is part of the wider airport security context and that all stakeholders at an airport, not least airport operators—again, that is a point that my hon. Friend the Member for Midlothian made very well in his speech—have a role to play in coming together to address the threats and risks at each airport. There is no point in looking at policing in isolation from all those other bodies.

Government and industry representatives have been working together to agree both the overall approach and the details of a workable system for strengthening security at airports and the underpinning funding

[Mr. Coaker]

arrangements. Part of that work is the identification of police roles and responsibilities. Therefore, our focus must be on airport security as a whole. The costs of the necessary policing resource are an integral part of establishing the wider security context at each airport.

My hon. Friend the Member for Midlothian made the point about the importance of co-ordination. Nationally, representatives of industry, the police and police authorities, and Government have been holding discussions on the way forward on policing and airport security. A shared security vision for UK airports has now been agreed, along with the key principles that will be used to develop the airport security plans to achieve that vision.

Mr. Devine: I do not think that the views of my hon. Friend the Minister are far away from those of my hon. Friend the Member for Midlothian. However, there is one thing that I do not understand. We already have in place a structure whereby, for example, if football fans were travelling from Edinburgh or Glasgow to London, British Transport police would accompany them all the way from Scotland to London and indeed to the football ground. Given that we already have this structure, which is unique, why do we not just add to that?

Mr. Coaker: My hon. Friend makes a reasonable point. Part of the purpose of this debate, and this is also why I am suggesting that I have a further meeting with my hon. Friend the Member for Midlothian, is that we need to examine whether we can learn from some of the existing structures and systems—for example, as my hon. Friend the Member for Livingston points out, those of the British Transport police—so that we do not reinvent the wheel and so that, if we have something that works, we can build on it.

However, we need to see how a structure such as that of the British Transport police would impact on other aspects of airport security. For instance, as I mentioned to my hon. Friend the Member for Central Ayrshire, such a structure is fine in some regards, but it would be inappropriate to consider involving the British Transport police in aspects of airport security, because, for example, they are not armed, as I said previously. Therefore, there is an issue about how we put together the various structures, so that we have a meaningful overall structure that works both in the type of situation that my hon. Friend the Member for Livingston described and in relation to aspects of airport security. We are developing this plan and this vision for the future so that the different structures are integrated and the overall structure works.

We are now working on establishing the framework for a strengthened security system, taking account of the threats and risks at each airport. As we do that, I will obviously bear in mind my hon. Friends' comments. That framework will build on the good work completed in 2002 by Sir John Wheeler, who devised the MATRA—multi-agency threat and risk assessment—system, which, in turn, will lead to the production of a clear airport security plan. We are trying to identify a suitable legislative slot to take forward those aspects of the plan that will require primary legislation. Of course, that process will require amendment of the existing civil aviation legislation, as well as setting out what is needed for the future. We will therefore try to legislate to deal with some of the issues that my hon. Friends have raised.

Complementary work has also been taking place, as my hon. Friends and the hon. Member for Solihull will know, at the nine designated airports. Under section 25 of the Aviation Security Act 1982, nine airports are designated for policing purposes, which means that at those airports the airport operator funds the permanent uniformed police presence that is agreed with the police. The following airports are designated: London Heathrow; London Gatwick; London Stansted; Aberdeen; Edinburgh; Glasgow International; Glasgow Prestwick; Birmingham; and Manchester.

More recently, the Civil Aviation Act 2006 required those airports to agree a formal police services agreement to determine the uniformed police complement. Where agreements are not yet signed at designated airports, negotiations are ongoing and, in most cases, they are at an advanced stage. If an agreement cannot be reached, the parties involved can request that the Secretary of State initiate a process of expert determination to resolve the dispute, but we have received no such requests to date.

Where an airport is not designated—the hon. Member for Solihull made the point that some are not—it has either a permanent police presence or the police attend where there is an operational need to do so. The police authority is normally required to meet the cost of the permanent police presence. However, in keeping with the conclusions of the 2006 independent review, we are working towards an outcome in which the system of designation will be abolished and any agreed policing costs are passed to the airport operator. That will bring the funding of policing at airports in line with other industries that require a permanent police presence. However, the Government do not underestimate the concerns that that has caused to the industry.

As well as uniformed police officers, there are also special branch officers at all airports. Those officers are also drawn from the local police force area. Special branch officers in England and Wales are part-funded by the Home Office through the ports element of the dedicated security posts funding. Each year, police forces in England and Wales submit a bid to the Home Office, outlining their dedicated security posts requirements for the following financial year. Those in Scotland are funded by the Scottish Executive and therefore separate, but broadly comparable arrangements apply.

May I conclude by again congratulating my hon. Friend the Member for Midlothian on securing this debate? He has raised some extremely important issues. Millions of people travel through our airports across the UK. They want to do so as quickly as possible, but they also want to do so securely and safely. The points that my hon. Friend and other hon. Members have made this morning will help us to develop our programme of airport security. As I said to my hon. Friend, we can sit down and have a meeting early in the new year, and he can also talk with the relevant officials about our plans, feeding into that process. In that way, I think that we can all be reassured that the plan that eventually emerges will be as good as we can possibly make it.

11.30 am

Sitting suspended until half-past Two o'clock.

Stonehenge

2.30 pm

Robert Key (Salisbury) (Con): It is a pleasure to meet under your chairmanship, Mr. Cummings. I wish you a very happy Christmas and a good new year.

At dawn on Saturday, if the weather is clement, I will join a select group of enthusiasts at Stonehenge to witness the first sunrise after the winter solstice. It is a far more significant occasion than the summer solstice. Our ancestors calculated the exact date of the year's turn, when they could look forward to longer days and the green shoots of spring, and laid out Stonehenge accordingly.

Stonehenge was inscribed as a world heritage site in 1986, and the UNESCO-approved management plan was published in April 2000. The stones are instantly recognisable, and are a worldwide symbol of our ancient heritage. They were shaped and erected more than 3,000 years ago, and their lintels, unique jointing and perfect geometry make Stonehenge the most sophisticated stone circle in the world. But it is more than just stones. Within the 2,600-hectare site are more than 400 scheduled ancient monuments in a ceremonial landscape that includes the avenue, the cursus and nearby Woodhenge. Just to the east lies Durrington Walls, where the people who built Stonehenge lived in a village of hundreds of houses that featured a stone-surfaced avenue. The secrets of Durrington Walls have only recently started to be revealed.

Members of Parliament must consider the national interest as well as their constituency interests. Similarly, the Government have a duty to consider the implications of their national decisions for local communities. In November 1995, the planning conference on Stonehenge and the A303 resulted in 16 resolutions and a remarkable consensus among the representatives who attended. Sadly, that national and local consensus has slipped. Last week, a local survey by Vision News, Salisbury's online TV station, found that most people disagreed that the Government were right to cancel the Stonehenge A303 road project and tunnel. In fact, only one person who was interviewed favoured cancelling it.

That surprised me. Despite some triumphalism from those who oppose the tunnel project, most people just want something to be done to minimise the negative impact of traffic congestion on their daily lives. They are proud of Stonehenge, but they mind more about getting to work and home again across the barrier of the choked A303. It is outrageous that the Government have abandoned my constituents in Winterbourne Stoke. That village and Chicklade to the west are now the only communities between London and the west of England without a bypass.

If the A344 is closed, traffic will double on the A360 between Airman's Corner and Longbarrow roundabout and increase by a third on the A303 past the stones. Unless my constituents in Orcheston, Tilshead and Shrewton are served by a new junction at Airman's Corner and an A303 underpass at Longbarrow, their councillors will not agree to the closure of the A344. That agreement is essential to planning permission. Objective 11 of the management plan requires the A344 and A303 to be removed or screened. Interestingly, support is growing for the planting of trees along both roads, within the world heritage site. Will the Stonehenge project board please consider that?

The Department for Transport has just saved itself more than £500 million and announced that any new money for even minor road improvements must come from the meagre south-west regional road budget. That is totally unacceptable. Why should people in Devon and Cornwall lose their road improvements to pay for the wreckage of a national road project that was funded from the Department for Transport's budget until 6 December?

Meanwhile, my constituents in Larkhill, Bulford, Durrington and Amesbury will be plagued by rat-running to avoid the gridlock past the stones. There is increasing evidence of rat-running further south—down the A338 along the Bourne valley to Salisbury and then along the A30 through the Nadder valley to Hindon, bypassing the entire Stonehenge section of the A303.

Dr. Andrew Murrison (Westbury) (Con): My hon. Friend knows that I have a particular interest in the village of Chitterne. I should be grateful if he added it to his list of villages likely to suffer from increased rat-running, particularly with the advent of satnav. On a more positive note, will he commend the Ordnance Survey, which will now inform those who make satnav instruments, for consulting with local government to determine preferred routes and freight routes? Does he agree that that cannot come soon enough? It will prevent vehicles from clogging up villages, often getting stuck down lanes where they have no business being.

Robert Key: My hon. Friend and neighbour knows that Chitterne and many of our villages are plagued by satnav lost sheep. Lorries from all over Europe regularly get stuck on completely inappropriate roads signed on satnav as the best way to get from A to B. I have pursued the matter with the Department for Transport during the past 18 months or so, but the Department can do precious little about it—it requires Europe-wide action. The real problem is that whatever satnav might say, a driver confronted with a road must rely on signs. If a sign says that the road is narrow, has a weight limit or other restriction or is otherwise inappropriate—and if the driver can read English—it will work, but there is nothing physically to prevent truck drivers from driving down an inappropriate road and getting stuck. It is a massive problem, and we have yet to come up with a solution. How right he is to draw attention to it.

Will the Government please consider afresh the potential in the long term for tolling, or shadow tolling, a major road improvement for the strategic A303 route? I have raised the point before. Of course I do not mean toll booths either side of Stonehenge; smart cards or even global positioning system technology will soon be equal to the challenge. Design, build, finance and operate contracts, with shadow tolling, are well tried in this country and could be an attractive option for the medium to long term.

In April 1986, UNESCO said that the A344 past the stones must be rerouted. In November 1986, the UNESCO world heritage committee

> "noted with satisfaction the assurances"

that the closure was being seriously considered. In April 2002, the Department for Culture, Media and Sport told UNESCO that planning consent for the new visitor centre would be submitted, and the highways

[Robert Key]

consent procedure for the tunnel initiated, in December. In 2003, UNESCO welcomed the decision to construct a bored tunnel and asked for a report by 1 February 2004, which DCMS provided, albeit on 28 May 2004. UNESCO then asked for another report by 1 February 2005, which did not come. In summer 2005, it asked for an updated report by 1 February 2007. Meanwhile, in 2006, it noted that DCMS had provided no time frame for the Stonehenge project and that management was weak.

In July this year, the world heritage committee received a brief, report full of good intentions that said how difficult it all was. Now the Government are washing their hands of Stonehenge and leaving it to the Minister of State, Department for Culture, Media and Sport, to pick up the pieces. I do not doubt her good intentions and determination. She needs all the support that she can get.

David Wright (Telford) (Lab): I am here as the chairman of the all-party group on world heritage sites to tell the hon. Gentleman that this is in many senses a cross-party issue. The site is of major significance not just in the UK but throughout the world. The all-party group, as he knows, is keen to see the matter resolved. The visitor centre is not up to standard for the previous century, let alone the future. I want the group to support his efforts to ensure a settlement on the road network in his constituency. I congratulate him on securing this debate.

Robert Key: I am grateful to the hon. Gentleman, and I salute him for the work that he does for the all-party group on world heritage sites, of which I am an assiduous attender. I also welcome the support that the group, which draws its membership from both Houses and from a wide range of support in the world of culture and heritage, has already given to the Stonehenge project.

I refer to the Government because I believe that this 21-year-old saga represents a systemic failure in the machinery of government. Successive Culture Secretaries have not been powerful enough to obtain Cabinet agreement; and Transport Secretaries have always found it easier to give greater priority to other roads. I understand that the £500 million in this case will go instead to widening the M25. Four Prime Ministers have failed to acknowledge the importance of our national heritage to our culture needs, let alone to our tourism and transport needs. Only the Treasury has won every round.

In February 2008, the Minister of State must report progress to UNESCO, following the Government's decision to abandon the road and the proposed visitor centre. At its July meeting, the world heritage committee will

"fully examine the implication of their decision for the value and integrity of Stonehenge as a World Heritage property".

Will the Minister confirm that time scale, and say whether she expects to submit a revised management plan to UNESCO in January 2009?

The Government are already in trouble, because they have failed to restrain the encroachment of new tall buildings on the world heritage sites here at Westminster and down the river at the Tower of London. Only last month, UNESCO threatened the delisting of the Dresden Elbe valley site because the landscape would be degraded by a new bridge. It would indeed be a national humiliation if Stonehenge were to be put on the endangered list. I do not think that it will happen.

I congratulate the Minister, and the Under-Secretary of State for Transport, the hon. Member for Glasgow, South (Mr. Harris), for calling an emergency meeting on 10 December of the new Stonehenge project board, in order to agree terms of reference, to consider options for the future, and to decide the key issues and what can now be delivered. By all accounts, it was an eclectic gathering of the main stakeholders in the south-west of England. Crucially, however, the local planning authority was not represented. That caused consternation. Will the Minister confirm whether Salisbury district council was invited to the meeting? If it was, I consider it a dereliction of duty that not one councillor or council officer could be found to attend that meeting.

Looking forward, will the Minister assure us that the starting point for a new beginning must be the existing management plan, revised to take account of the new situation? Will she retain the three long-term objectives—objectives 1, 2 and 3? They are the endorsement of the management plan; the improvement of the management and conservation of the cultural landscape; and the interpretation of the universal value of the whole world heritage site. Will she continue to promote public enjoyment, education and research at Stonehenge?

Under the terms of objective 14 of the plan, and as a gesture of good intent to UNESCO, will the Minister consider adding to the site the unique Parsonage Down national nature reserve and Yarnbury castle, which lie to the west of the stones? I believe that they should have been included from the start.

Will the Minister also say how much money the Department for Culture, Media and Sport will contribute to the new visitor centre? The right hon. Lady has done so well to pledge that the Government will have a new centre up and running by 2012. Such a project on such a tight time scale must be primed with the help of the taxpayer. English Heritage is already in discussion with the Heritage Lottery Fund, which suddenly has more than £20 million to spend on something else—the Olympics?—following the decision not to proceed with the visitor centre. Will the Minister assure us that her Department will give 100 per cent. backing to a lottery bid by English Heritage?

Objective 18 of the management plan states that a new world-class visitor centre should be secured to act as a gateway to Stonehenge, to improve the visitor experience and to encourage the dispersal of visitors around the entire world heritage site. Will the Minister maintain that objective? I said in the House last week that something cheap and cheerful would not do. What we are embarking on is a semi-permanent solution that is likely to last for at least 20 years, until a new strategic plan can be agreed. It must be a visitor centre of high quality, innovation and vision.

May I recommend that all those involved revisit the Fargo North scheme, published in April 1998? There are well-reasoned arguments for a centre just north of the A344 and west of Fargo plantation. That would be a good site. Much of the transport planning, including designs for new road junctions, has been done. That could considerably shorten the time scale necessary for design work. If the 1998 proposal could be updated to include a grade-separated junction at the Long Barrow junction of the A303 and the A360, that might well avoid a public planning inquiry and would save at least a year.

UNESCO has always been critical of facilities for interpretation and explanation, and so have I. However, I at least had the advantage during my childhood in Salisbury of spending many hours at the stones and at the Salisbury and South Wiltshire museum, which has the best Stonehenge collection in the country. Under its new chairman and director, the museum is planning a new "Stonehenge Experience". Given the circumstances that we now face, DCMS and English Heritage have a golden opportunity to join forces with the museum—the Minister visited it with me in September—to create a world-class exhibition and learning experience. It would be in service within two years, well ahead of any possible delivery at Stonehenge—and it would be only a stone's throw away. It would also represent good value for money, at about £1.5 million.

Already, thousands of people combine visits to Stonehenge with trips to the English Heritage site at Old Sarum and Salisbury cathedral. In 2008, our cathedral celebrates its 750th anniversary, and there will be many new reasons for people to combine visits to the sites—and also to visit local National Trust properties, including Mompesson house. There is also early discussion about the nomination of our incomparable Salisbury cathedral close as a future world heritage site.

Now is the time for us all to work together to ensure that Stonehenge becomes more than a tourist destination—that it becomes a wonderful experience for all who marvel at mankind's ancient footprint on our land and who yearn to understand more of our humanity. Christmas is upon us. All of us—even, dare I say it, English Heritage and the National Trust—should find a large bunch of mistletoe and pledge undying friendship in the interests of Stonehenge.

2.47 pm

David Wright (Telford) (Lab): I congratulate the hon. Member for Salisbury (Robert Key) on securing this important debate. He says that he will be at Stonehenge on Saturday. I hope that he will excuse me for not joining him, as it is my birthday; nevertheless, I wish him all the best.

I have particularly fond memories of Stonehenge. My family regularly visited the site on our way to the south coast for our summer holidays. The management of the stones has changed somewhat over the years. We used to have access to them—we could sit on them and wander around them. I have a photograph in my family album of me in a hideous 1970s T-shirt sitting on one of the stones, with my grandfather sitting next to me smoking a Woodbine. I still like to visit Stonehenge, but the Woodbines did for granddad. I am fond of the site and I try to visit it whenever I pass by, as it brings back important family memories.

I am chairman of the all-party group on world heritage sites. It is, I believe, one of the most successful groups in Parliament, with a large attendance. The Minister is to visit the group early in the new year, and I am sure that she will be asked a number of questions about Stonehenge and the management of the site. I speak today largely because the subject is an all-party one and it is important to our nation that we get it right. Stonehenge is one of the United Kingdom's most significant sites. Clearly, all world heritage sites are important, but Stonehenge is recognised across the world as being extremely significant.

The hon. Gentleman said that Stonehenge sits in a landscape. World heritage sites are now considered as part of a wider landscape. For the older sites, it was an iconic feature within the landscape that was designated, but UNESCO and all involved in world heritage now take the view that one has to place sites such as Stonehenge within the landscape setting. That is why this debate is so important. The management of traffic around the site is of major importance, but is not working effectively. Someone driving past Stonehenge will see a lot of people trying to glimpse the stones as they pass by. I do not know how many accidents are caused as a result, but clearly the framework for traffic management is not right.

Sadly, this debate has been ongoing since 1995, and the reports published are stacking up. The hon. Gentleman was right to raise, on behalf of his constituents, the issue of vehicle management, but this is important to the whole nation, so we need to get it right. As he mentioned, a number of other world heritage sites are also under threat. There is a significant debate about the Tower of London, about the world heritage site in which we sit today, and about the impact of tall buildings. UNESCO will wish to take a view on the continuing volume of traffic passing Stonehenge and how it impacts on the way in which people can look at, study and enjoy the wider landscape.

The site is of world significance, but the visitors' centre is not up to scratch. In fact, it is the same one that I visited while wearing that pretty horrible 1970s T-shirt. The centre has not stood the test of time. It might function, but one would imagine that such an important feature of the landscape required a visitors' centre that did it credit with, for example, a multi-media presentation of the site and attempts to promote an understanding of the wider landscape. I hope that we will get a commitment from the Minister to major steps forward in traffic management and a visitors' centre.

It is particularly important that we make progress before 2012. The all-party world heritage sites group wants to pursue the concept of "world heritage, world games", so that people visiting the UK for the Olympic games will be encouraged to visit world heritage sites—not just Stonehenge, but other sites such as Ironbridge gorge, in my constituency. We want people to visit not just London, but all our major world heritage sites. There could be a fantastic link between the world games and world heritage sites.

It is crucial, however, that Stonehenge has a better-quality visitors' centre. Many people will want to visit Stonehenge when they come to the London Olympics, because in their home countries they have seen incredible images of that feature of our landscape. However, it is important to focus on the management plans and on delivering them. Plans for all world heritage sites take considerable time to develop, and the organisations involved in putting them together are very proud of them—they are of the plan for Ironbridge gorge, and I am sure that they are of the Stonehenge one as well. We must hold faith with the organisations, and the Government, who have contributed to the development of those plans. They should be seen

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as the main structure for future delivery on traffic and visitor plans around Stonehenge and the surrounding landscape.

In conclusion, I again congratulate the hon. Gentleman. I stress to the Minister that this matter is important to all parties in the House and all people in this nation.

2.53 pm

Dan Rogerson (North Cornwall) (LD): I apologise if I sniff and cough my way through my contribution. One connection that I might have with those who built Stonehenge, other than a love of the stones themselves, is the fact that I am suffering from a common cold, which no doubt they experienced during its construction.

I pay tribute to the hon. Member for Salisbury (Robert Key) for introducing this important debate at this crucial time. Clearly he has a constituency interest, but I am sure that it has been demonstrated to all hon. Members that his interest goes far beyond that—he has a personal connection to the site having grown up in the area. He spoke about the long identification of Stonehenge as a world heritage site. Happily we now have many more in this country, but this country's performance will be assessed according to how we approach our more major and long-standing commitments, such as that to Stonehenge.

The hon. Gentleman addressed the wider historical landscape and the dangers of simplistic solutions, such as closing the junction on the A344, in isolation, which would not resolve the problems facing the landscape and the site itself, but would have consequences for congestion on the A303 and present problems for his constituents and those seeking to explore and enjoy the wider south-west. He also mentioned shadow tolling, which shows that he has a positive contribution to make and is not merely criticising the Government. He should be congratulated on taking a constructive approach.

The hon. Gentleman raised the important issue of the visitors' centre, as did the hon. Member for Telford (David Wright). However, although progress on the visitors' centre would be welcome, we must consider how people would get there, otherwise we could create a huge problem. We cannot encourage greater numbers of people to experience what is on offer without affording them proper access. The hon. Member for Salisbury also spoke of the connection with the supporting heritage and tourist facilities in Salisbury and elsewhere, and about the importance of finding the right approach for the benefit of the wider economy and Stonehenge itself.

The hon. Member for Telford spoke about the long-standing support of the all-party world heritage sites group for Stonehenge, and I pay tribute to the work of his group. He raised some crucial points about the landscape and maintaining the stones' legacy, which is why we all support the scheme on which sadly the Government recently turned their backs. It presented an opportunity to reunite some of the features of the landscape. He spoke also about the link with the 2012 games and the opportunity to present the heritage of our country at its very best. That deadline looms for all sorts of projects. I hope that the Minister will refer to that in her remarks.

We might be having this debate during the last full year in which Stonehenge enjoys and retains unquestioned UNESCO world heritage status, as has been mentioned. After years of failing Stonehenge, Ministers in the Department for Transport seem to have settled on failure as their chosen course of action. Stonehenge is arguably the United Kingdom's single most important historical monument, but sadly the Government's recent decision puts the UNESCO world heritage status at risk. The monument is at risk from further damage from growing volumes of traffic. UNESCO accorded Stonehenge its world heritage status on the condition that nearby roads be examined and progress be made on protecting the site.

Transport Ministers have consistently let down the Department for Culture, Media and Sport by underestimating the importance of the scheme. Indeed, the DFT sees the A303 improvements as a regional scheme only, which demonstrates its indifference to Stonehenge's national and international significance. I speak from the heart as a Member for a south-west constituency where there are other projects. Had the scheme gone ahead, it would have gobbled up south-west funding for many years to come. Trying to brush the scheme off as regional would, therefore, have had deleterious effects on important safety schemes, such as the A30 improvement between Temple and Higher Carblake in north Cornwall.

Now that a decision has finally been made, we need to look to the future. The Minister must have asked herself, "What am I going to do now?" She has said that she still wants to resolve this matter, so what are her plans for the current Stonehenge visitors' centre and what is the future for the ambitious plans previously connected with the A303 changes and the centre? What is her, and her Department's, view of the proposed closure of the A303-A344 junction? Local Members are said to be concerned about further congestion in that area, and hon. Members have raised that concern in this debate. What, on balance, does she believe should be done?

As we have heard, UNESCO will meet next year to discuss Stonehenge's status. How will the Minister convince UNESCO to give the Government the benefit of the doubt? She will need to act early to influence the UNESCO world heritage centre's report to the world heritage committee in July. Images of Stonehenge were used as part of the successful bid for the 2012 Olympics, and improvements to the site were anticipated to be in place by then. It is a cruel irony that a British site given such credence by the International Olympic Committee should be given so little priority by the British Government themselves.

Before the DFT made its decision, how many visitors did the Minister anticipate visiting Stonehenge in 2012? By contrast, how many does she think will now get there? Indeed, what does she anticipate to be the wider implications for tourism in the wider south-west of the DFT's decision? Stonehenge is a magnet for the region, but the A303 is also a major artery to the wider south-west, and the Government have chosen to undermine one and block the other. What was the outcome of the Stonehenge programme board meeting on 10 December, to which the hon. Member for Salisbury referred? Does the Minister feel that her colleagues at the DFT recognised the importance of Stonehenge to the United Kingdom and beyond? Do her colleagues in the DFT, in the Ministry of Defence, which could be a vital partner in any scheme elsewhere in the area, and, crucially, in the Treasury share her resolve to get the issue right?

Have Treasury officials been asked to compare the relative worth of capital expenditure on protecting a site of such unique status as Stonehenge with, for example, other high-profile Government schemes? Have DFT officials been asked to compare the increased costs of going ahead with the Stonehenge scheme with other schemes that have suffered serious delay? It has been reported that the costs are much higher than originally anticipated, but in the meantime the costs of most road schemes have also escalated due to rising labour costs. Should not the DFT have anticipated that likely increase in cost when it was budgeting?

After a decade of dithering, there remain countless questions for the Government. It is almost 18 years since the Public Accounts Committee said that the setting around Stonehenge was "a national disgrace", but we seem to have moved no further forward. The Liberal Democrats welcome the Minister's recent support for Stonehenge, but we need to know that she is not whistling in the inter-departmental wind. She has to convince not only this House, but UNESCO. We all agree that for Stonehenge to lose its status would be a tragedy. I hope we can agree that the south-west as a whole needs the revenue it receives from tourism, and that the Government's decisions on Stonehenge will have serious effects on it, too.

The Government have spent years failing to decide, and now they have decided to do nothing. Stonehenge may be famous for its longevity, but it cannot wait for action for ever.

3.3 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to participate in this important and timely debate. I, too, congratulate my hon. Friend the Member for Salisbury (Robert Key) on accumulating so much knowledge over the 10 years that he has pursued the matter. His constituents can be rightly proud of the way in which he has stood up for and pioneered Stonehenge, helping to remind us that the issue is about not only Stonehenge and the stones themselves, but Durrington Walls, Woodhenge and the surrounding area. He has shown a commitment and dedication that I hope the Government will honour as we move forward and consider another proposal, following their announcement. Indeed, the announcement on 6 December has led us to the debate today.

I need not remind the Chamber that after 10 years of studies, at a cost of £23 million, all plans, details, ideas and improvements concerning Stonehenge have been thrown out. As we have heard, that is a massive blow to the area and for many people who simply want a solution. We are back to square one. The way in which the announcement was made was a surprise. It was slipped out in a written statement, and it was only thanks to Mr. Speaker agreeing to an urgent question that we forced a Minister to come to the Dispatch Box to answer it. Unfortunately, it is a reflection of the importance that the Government grant to tourism that instead of the Secretary of State for Transport responding to that question, she simply left a junior Minister, the Under-Secretary of State for Transport, the hon. Member for Glasgow, South (Mr. Harris), to stand up to the wrath of the questioners and justify the decision.

Under the Government, the tourism deficit—the amount that we spend abroad compared with inbound spending—has changed significantly since 1997. It was £4 billion then; it is £18 billion now, which shows that we spend far more money abroad than we are able to attract from visitors to the United Kingdom. Tourism is a competitive international market, but Britain is losing out to competition from abroad, and more Britons than ever before are choosing to holiday abroad. We do not enjoy the increases in inbound tourism that our competitors enjoy.

It was interesting to see a reply to a question that we tabled last week, in which the Government acknowledged that the percentage of tourists who come to the UK was 3.9 per cent. in 1997, but down to 3.6 per cent. last year. We do not benefit from the increases in the number of flights and in people's disposable income, because we do not attract visitors to the UK. That is reflected in the status of Stonehenge, and unless we harness the visitor potential of such attractions, we will continue to suffer.

I shall recap the history of the issue. It goes back to 1989 when the then Government, under their roads programme, first considered improving the A303. More than 50 possible routes were considered prior to public consultation, involving the Highways Agency and a huge planning conference in 1995, at which it was recommended that only one acceptable scheme had been put forward—a tunnel, 4 km long, at an estimated cost of £300 million. The then Government considered it unaffordable and withdrew the scheme from the roads programme in November 1996.

In July 1998, the new Government identified a new A303 scheme, which was in their targeted programme of improvements. It included a 2.1 km tunnel, a bypass of Winterbourne Stoke, a two-level junction at Countess roundabout and a new junction arrangement at Longbarrow crossroads. There was then a public inquiry, which concluded in May 2004, and the inspector recommended a new dual carriageway be built along with the bored tunnel. However, the costs had increased significantly, and the Government, concerned about the costs, decided to review the entire process. Consultation was held in 2006, leading us to the announcement on 6 December in which all plans and ideas were thrown out. So we are now back to the drawing board.

I visited Stonehenge the weekend before last. It was a miserable day weather-wise, with appalling rain, but it was stunning to see the car park almost full. Coachloads of visitors wanted to walk around and explore the grounds, and the gift shop was full. What was sad, however, was the state of the visitor facilities, which have been referred to already. They are third-rate, prefab construction units that have no place on such a wonderful site as Stonehenge. It is strange to have such an archaic and temporary outfit supporting something that has been around for so long. That is the irony: a heritage site that has existed for thousands of years is supported by such inadequate facilities that they could not last a decade.

I left with a brochure that the very friendly staff gave to me. On the back page, it says:

> "Plans for the future. Your future visits to Stonehenge will be very different from your experience today. Major plans are being

[Mr. Tobias Ellwood]

> prepared to place Stonehenge in a grassland setting, free it from roads and traffic noise and provide world-class visitor facilities. This will improve your enjoyment and understanding of the whole World Heritage site."

Clearly, the brochure is now out of date, so perhaps the Government might be brave enough to add a different line, saying, "We apologise for the delay in improving the visitor facilities and infrastructure around Stonehenge. Your patience in waiting another 10 years before a new plan is announced is much appreciated."

I am a little cynical, but I fear that I echo many concerns of people throughout the country who support the site and wonder why on earth it is taking so long to improve what might arguably be described as our No. 1 outdoor heritage attraction. As I said at the Dispatch Box last week:

> "Stonehenge is a first-rate heritage site with second-rate facilities supported by a third-rate tourism policy."—[*Official Report*, 10 December 2007; Vol. 469, c. 13.]

I should acknowledge straight away, however, that the Minister has only recently inherited the brief and is not responsible for the tourism policy that the Department introduced before the summer. None the less, she must accept that she now carries the burden of responsibility and will therefore feel the wrath of those on all sides of this issue, although I hope that she understands that it is directed at the issues themselves, not at her personally.

Stonehenge is a wonderful site, but we would not expect to find temporary facilities at similar places, such as the temple of Artemis, the pyramids of Giza or even the Grand Canyon. At such places, people are continually looking at ways to market the attractions and improve what is on offer, but in a manner that protects the attractions themselves. If we are to celebrate our history and heritage—whether man-made or natural—we must provide the necessary infrastructure to both market and protect attractions for future generations. Doing nothing is a dereliction of duty and an insult to heritage, but I am afraid that that is exactly what the Government are doing.

It is interesting to think about when the Government made their announcement, because it came out in a week when we had an awful lot of bad news from them. We heard about the hard drive lost by the Driver and Vehicle Licensing Agency, which contained millions of details, and about the discs lost by Her Majesty's Revenue and Customs, which contained 25 million people's records. When I heard that the money was not available for Stonehenge, part of me thought that the Government had perhaps lost the cheque, but I hope that that is not the case.

As we have heard, we are talking about not only tourism, but transport. I live in Bournemouth and I am fully aware of the importance of upgrading the A303. The road is a key arterial route into the south-west, and it is critical that such a strategic pipeline receives the attention that it deserves. We also heard about the number of accidents that happen on the road, but the issue has been thrown out with the bathwater, and we now hear that the South West of England Regional Development Agency will be expected to pay for any improvements in that respect. I would be grateful if the Minister spelled out in a little more detail whether there are any additional funds that the RDA might be able to use. Placing such a burden on the RDA would, as my hon. Friend the Member for Salisbury said, mean denying the south-west other transport improvements. Many areas will not benefit from the improvements to the A303, so placing the burden of paying for them on the whole south-west would be very unfair, particularly considering that the Government were committed to making those improvements for so long.

As has been said, the Department for Transport had the final say on this issue. I would be curious to hear what discussions the Minister, or indeed the Secretary of State, had with the Department and whether she failed to persuade it to take a different approach. Sadly, such problems reflect the way in which the Department for Culture, Media and Sport often plays second fiddle to other Departments, which often dole out legislation that has a massive impact on DCMS areas. For example, the cost of visas has been doubled, bed and breakfasts are now affected by red tape and air passenger duty has been increased. All those things happened almost as if the DCMS had not been consulted. Again, I would be grateful if the Minister said what efforts she is making to ensure that tourism is pushed up the agenda.

Such decisions are not helped by Treasury pressure to cut heritage and tourism budgets, which is a bizarre attitude, given that we should be marketing Britain in the lead-up to the Olympics. Organisations such as VisitBritain promote Britain abroad and encourage visitors to see attractions such as Stonehenge, so why did the DCMS decide to cut VisitBritain's budget by £18 million over three years? What links all these issues, I suspect, is the fact that the Treasury has the final say, and the voice of tourism gets lost.

Such is the anger over this issue that the Tourism Alliance, a hugely influential body that links many of the voices in the tourism industry, accused the Government of

> "grossly misunderstanding and mismanaging the UK's tourism sector".

Those are damaging words, considering that the alliance is the very body that benefits from support and guides the tourist industry in the UK. The alliance had a crisis meeting with the Minister, and I would be grateful to hear what it asked her to do. There has been an absence of leadership on tourism, and the Tourism Alliance has recently launched its "Take Tourism Seriously" campaign, which urges the Prime Minister to reconsider what the Government are doing with Britain's fifth-largest industry, which lacks a robust voice in the Government.

We must recognise the appetite for heritage. I think that the Minister has visited the British Museum exhibition on the terracotta army from China's Xi'an area. The exhibition has been a huge success and provides evidence that there is a massive appetite in the UK for heritage, but that appetite will be denied if we do not explore and take advantage of our own heritage.

I cannot finish without mentioning the concern about the UN's world heritage committee, which is seriously considering removing Stonehenge's world heritage status. That would have a devastating impact on the area, and I would be curious to hear the Minister comment on what discussions she has had on the issue. The committee has certainly voiced concerns about the visitors' centre and about the infrastructure being woefully under par, and it has said that improvements are needed as soon as possible.

I have a number of other questions for the Minister. What feedback did she have from interested parties following the decision that was made on 6 December? The Government say that they are now looking at new options. What are those options and what timetable—however vague—is in place? Will she report back to Parliament in six months on the progress that has been made on this critical issue?

Will the Minister also comment on her meeting on 10 December with the new Stonehenge board? What was decided? Was the local planning authority invited? When will the next meeting take place? Was Salisbury district council invited? It is a Liberal Democrat-controlled council, but I gather that it did not turn up. Will the Minister confirm whether that was indeed the case?

The Minister has inherited a difficult brief. It is said that Stonehenge is most impressive at sunrise, with beams of light reflecting on the sarsen stones, but thanks to the Government's poor stewardship, and the mist of confusion that now hangs over the future, I fear that although the stones themselves will continue to defy time, the sun will set on the Government before a plan worthy of this ancient and historic landmark is brought forward.

3.18 pm

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): Season's greetings to you, Mr. Cummings, on the last day of our debates and happy birthday to my hon. Friend the Member for Telford (David Wright). Like others, I congratulate the hon. Member for Salisbury (Robert Key) on securing this important debate, even if it is being held on the last day before the recess.

The hon. Gentleman is an expert on Stonehenge. Not only is he the area's representative, but he has had ministerial responsibility for transport and culture at different points in his career. In both roles, he probably grappled with many of the difficult issues that face me today as I try to find a way forward.

I endorse my hon. Friend's suggestion that it is all too easy to score political points on this complex issue, but I hope that we will not try to do so. It is in all our interests to find a solution of sufficient substance, because that is what is warranted by this magnificent historical site, and we can best reach such a solution by working together.

The problem before us has not been around for just the past 10 years; sadly, it has been around for a generation. When I went to visit Stonehenge with the hon. Member for Salisbury in September I had not been there for many years. When one goes back one realises what a mistake we made putting up a visitor centre of that quality in that place—presumably in the '60s. There are other buildings around of that era, and I am sure that we would never make such a mistake again—as long as English Heritage does not go and list it, and create further difficulties.

Stonehenge is of international importance. We share that view across the Chamber. It is one of our most iconic sites, and has fascinated people across millenniums. We probably will never know—that is its fascination—why our ancestors built the structure 5,000 years ago, and went on building and changing it over the two millennia that followed its original construction. It is not just the stones that are important. As hon. Members have said, there is the cursus just north of the stones, which I saw on my visit: two grass banks 100 m apart, stretching nearly 3 km. They are also an enigma. On the ridges surrounding the stones are burial mounds, which were built more than 1,000 years after the stones were erected. The landscape all around Stonehenge continues to reveal wonderful new archaeological finds. In September, I met a team of archaeologists who work, they told me, every year at Durrington Walls.

The Stonehenge landscape includes sites of special scientific interest, and a major objective of the management plan—which has to a considerable extent been achieved, with the help of the countryside stewardship scheme and its successors—has been the reversion of that core area of the world heritage site from arable to traditional chalk grassland. It is now home to the stone curlew, a rare, red-listed visitor to our isles—although I did not see one. Of course, Stonehenge is also the place where druids and pagans celebrate the solstice.

Stonehenge, as the hon. Member for Bournemouth, East (Mr. Ellwood) drew to the House's attention, is a hugely important tourist destination. Every year it attracts about 875,000 visitors, and another 23,000 go to the solstices and equinoxes. The income for the area is about £5 million. The hon. Gentleman opposes our policies for tourism, but I am perfectly happy, if he wants to call a debate, to justify our decisions. It is precisely because we want to invest in what tourists experience when they come to the UK that the Department for Culture, Media and Sport has used the budget allocated to it in the comprehensive spending review as it has. We have deliberately put more money into heritage, at the expense—to a slight extent—of the money that we invest in marketing.

We have done that not so much for the benefit of Stonehenge as a specific site; rather, for the first time in a long while English Heritage is getting more money, and it is the first time we have ever set up a budget that focuses specifically on the heritage of our seaside resorts. Some of our seaside resorts have done extremely well in the past 20 or 25 years, but others have suffered. Yet they all have within them little heritage jewels, and if we can use those, with a little investment, as a catalyst to regenerate those areas for tourism, that will be money well spent by Government—proper investment that will grow our tourism.

At the same time, it would be dilatory of us not to ask VisitBritain to modernise the way in which it markets the UK—including its use of office infrastructure and new methods of communication. With regard to the hon. Gentleman's refusal to support us in that, I attended last week a meeting of the VisitBritain board, which could have been difficult, given that its budget is being cut in the coming period. However, all the people at the table, including representatives of the devolved Administrations, welcomed what we had done, because it energised them into strategically rethinking, in a way that has not happened before, how best to use the £350 million—including the hon. Gentleman's money and mine—in tourism support to market our country.

Mr. Ellwood: We are mixing numbers up. The overall headline figure for heritage funding has dropped from £461 million in 1997-98 to £231 million in 2006-07. It

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might have increased slightly from last year, but overall there has been a net decrease. The Minister mentions VisitBritain, but if she cares to look at its website, Christopher Rodrigues, the chief executive, is said to have expressed

> "real disappointment at the overall settlement level, particularly following ten years of static funding and the most challenging summer for tourism since 2001."

The Minister is aware that funding for VisitBritain has remained about £35 million for the past 10 years. It has not changed—excluding the running costs of about £15 million—but this time the Government have decided to reduce that amount by £18 million in the next three years.

John Cummings (in the Chair): Order. Interventions must be brief and to the point.

Margaret Hodge: That intervention was full of selective statistics, and it is not the real issue for debate. If the hon. Gentleman had spent more time understanding the challenges that we face at Stonehenge he might have focused his contribution on that. I feel that I have to respond to what he said, however.

First, the hon. Gentleman was selective in his figures on heritage investment, because he did not include the money that has gone through the Heritage Lottery Fund. Secondly, it is not only VisitBritain that markets Britain. The regional development agencies have had responsibility since 2003; the devolved Administrations have responsibility as well. One of the purposes of the review is to make sure that we eliminate duplication and use the resources—I repeat that £350 million of support for tourism is coming from the taxpayer's and council tax payer's purse—to the best effect. I am sure that under Christopher Rodrigues's superb leadership of VisitBritain, the enthusiasm that he and other board members showed last week will result in better marketing of Britain.

Stonehenge is important; I recognise that, and because of it I am investing a lot of time in trying to find a solution for it. I have said that we want the relevant improvements to Stonehenge's traffic management and visitor centre and the environment surrounding that world heritage site to happen by 2012. That gives us a catalyst for action. When visitors come to Britain they tend to come to London. There are a few places outside London that they choose to visit, and Stonehenge is always on that list. If we want the whole UK to capture the benefits of our hosting the Olympics in London in 2012, it is crucial that we get world heritage tourist attractions such as Stonehenge in proper, fit, modern and well-preserved order by that time.

Stonehenge was one of the first UK sites to be inscribed on the world heritage list. That was more than 20 years ago. Not just the stones were inscribed, but also the associated monuments, which are spread over more than 2,000 hectares. Since the signing of the world heritage convention in 1984, we are proud as a country to have attained a total of 27 world heritage sites on the list, which now totals more than 800 sites worldwide. The UK sites differ greatly, ranging from uninhabited islands in the southern oceans, through great prehistoric, Roman and mediaeval monumental buildings, to marvels of Georgian urban architecture and planning and an increasing number of sites that demonstrate the contribution of the UK to industrialisation, which underpins the modern world. The UK is among the top 10 countries for the number of sites inscribed on the world heritage list. I say to the hon. Members for North Cornwall (Dan Rogerson) and for Bournemouth, East, that we have absolutely no intention of suggesting that Stonehenge should drop off that list.

Inscription on the world heritage list is the highest accolade that can be afforded a place, and it brings international prestige. It also brings international responsibilities, which we take seriously. The world heritage convention brings together countries from all parts of the globe, acting together to safeguard places that are of such outstanding universal value that their protection transcends national boundaries.

In the UK, we are proud of the part that we have played in the movement's success. Until 2005 we were one of the member states elected to sit on the world heritage committee, and since our four-year term of office ended we have continued to work closely with and support the world heritage centre to deal with the development pressures facing some of our sites, which my hon. Friend the Member for Telford mentioned. As part of the heritage protection review, we are taking measures to increase the protection of world heritage sites in England.

In London next month, we will host an international expert meeting, which we hope will help the committee to achieve its goal of increasing the number of sites represented, particularly in developing nations, and recognising advancements in science and technology. We are in the throes of our own world heritage policy review, which will examine how we should nominate our sites best to reflect the world heritage committee's priorities, and we always send experts to participate in international events. I hope that that shows our commitment to the world heritage convention, which will continue and be reflected in how we handle Stonehenge.

As several hon. Members have noted, work to determine a way forward for Stonehenge and address the traffic problems on the A303 has been going on for some time. We also want to see work to improve the landscape environment around Stonehenge, and the improved visitor facilities and interpretation that a number of hon. Members have referred to. The work has been going on too long, and I hope that hon. Members will join me in paying tribute to the hon. Member for Salisbury, because in the discussions that I have had with him since the summer he has committed himself to helping me achieve what we require—a consensus on the way forward. If we can build that consensus with all the relevant authorities, we will not need long planning inquiries. That is our best opportunity to get improvements made before spring 2012.

The Under-Secretary of State for Transport, my hon. Friend the Member for Glasgow, South (Mr. Harris), with whom I have had conversations since I took this job, outlined the history of the Stonehenge project when he made his statement to the House. It is not a matter of the DCMS playing second fiddle to the Department for Transport or any Department, but we must examine expenditure commitments responsibly across Government.

Considering what has happened over time to the proposal that was on the table for Stonehenge, the decision that was taken last week, sad and frustrating though it was to all of us, was right for the spending priorities of the Government as a whole. The money involved had grown beyond belief, and there were complications once people had started burrowing and examining the site. I think that the chalk underneath was the wrong type, and the site also had a high water table or something like that, which created greater costs. The cost had become intolerable, and it was much better to cut the plan dead so that we could start thinking creatively about alternative solutions, rather than to believe that we could find the necessary moneys. It was not a viable proposition, given competing demands for transport infrastructure. We reluctantly concluded that it was unaffordable, which meant that English Heritage's proposed visitor centre, for which it had got planning permission from Salisbury district council, could no longer proceed. The planning approval was contingent on the A303 road improvements. English Heritage will retain the land that it had intended to use for the visitor centre, close to Countess East, and it will have to review its future use.

Costs have been incurred in the past 10 years, but looking back at the history of the matter, when the previous Secretary of State, Lord Smith, made his announcement as long ago as 1998, Sir Jocelyn Stevens, then chair of English Heritage, said:

> "It is now six years since the Public Accounts Committee described the visitor facilities at Stonehenge as 'a national disgrace'".

That takes us back, dare I say it, to previous Administrations. That is why people should not try to score political points on the matter.

We recognise that the decision on the traffic management of Stonehenge will have implications for the whole south-west as well as for local residents. As part of our further work, we are exploring much smaller-scale measures to improve the traffic flow and safety on the relevant section of the A303. Decisions on funding improvements to other sections of the A303 to the west of Stonehenge are a matter for the south-west region, using its resources provided by central Government in the south-west's regional funding allocation for major transport schemes. We have deliberately decentralised that budget, which was the right thing to do so that people can take the most appropriate decisions at a regional level.

Dan Rogerson: I am grateful to the Minister for making that point on a matter that a number of hon. Members mentioned, but will she concede that some projects—I appreciate that it is difficult to assess them—are not regional in nature?

Margaret Hodge: Of course, but my understanding—I am no transport expert—is that the responsibility for determining the road's future is classified as lying with the regional authorities. Interestingly, when the region made its recent determination of allocations and transport priorities, it decided not to allocate funding for improvements to the A303 until about 2014. I have not checked, but that may well have been because it was waiting for central Government's decisions on the tunnel. At the meeting that we had on 10 December, Juliet Williams, who chairs the south-west RDA, said several times that improvements to the road infrastructure were a significant regional priority, so I am pretty confident that the region will revisit how it decides to spend its money.

Mr. Ellwood: I am slightly confused; perhaps the Minister can clarify this point. For the past 10 years, there has been an understanding that the Government would contribute to the transport improvement scheme, but she is now making it very clear that the South West of England Regional Development Agency is responsible. If that is the case and that has been the policy, why did the Government allow people to believe for so long that they were going to contribute significantly to the road improvement scheme?

Margaret Hodge: I stress again that I am not a Transport Minister, so I shall not reply to that kind of detailed question. Clearly, the decision was taken earlier that it was a major transport scheme and therefore could not be funded regionally. I said—I suggest that the hon. Gentleman read the *Official Report* carefully—that it is possible that there will be small-scale measures to improve traffic flow. The Highways Agency will have some responsibilities in that regard, and I hope that there will be some collaboration with the Highways Agency on anything that it feels it has to do after further study. I hope that that, together with a reprioritisation of the regional transport pot of money by SWERDA and its partners, will lead to a compromise solution that will enable us to move forward.

Hon. Members know that one possibility on the table—the ideal solution, because it would not disturb archaeological sites elsewhere—is to close the relevant part of the A344 and use that site as the basis for creating a visitors centre. However, that solution would require everyone to come to the table, to compromise and to contribute. That is what we will try to achieve with the reconvened board. All that must be subject to consultation in the usual ways. I stress again that consensus will be the only way forward, and that will depend on the county council, the local authority and others. Salisbury district council was invited to the meeting, but it told us that the date clashed with a full meeting of the council and sent its apologies.

Our focus must be on where to go from here. In response to a question asked in the House by the hon. Member for Salisbury on 10 December, I announced that the Under-Secretary of State for Transport, my hon. Friend the Member for Glasgow, South, and I would jointly chair a meeting with key stakeholders, which we did—indeed, we had the first meeting that evening. Our goal is to deliver environmental improvements to Stonehenge, including new visitor facilities, in keeping with its status as a world heritage site by the beginning of 2012. In response to requests to report on that meeting, I will say that there was a real spirit of determination among those who were present to work together and bury the hatchet and to seek a consensual solution. We have set an ambitious timetable, but we will achieve what we want only if we work creatively and co-operate in the next phase. I cannot stress enough the importance of co-operation and I ask all those with an interest to support us in any way they can.

We will, as the hon. Member for Salisbury noted, draw on the detailed investigations that have taken place over the years—it would be madness to try to

[Margaret Hodge]

reinvent the wheel. They will include the Stonehenge master plan, which was presented at the public inquiries for the A303 and the visitor centre, as well as the earlier plans that he mentioned regarding the location of the visitor centre. A central part of that work will be a review of the Stonehenge world heritage site management plan published in 2000, which my hon. Friend the Member for Telford mentioned. That plan has stood the test of time and much has been achieved since then, so we will use it as a basis from which to move forward, as the hon. Member for Salisbury suggested.

The overall vision still has long-term validity and many objectives need no change, including the ones that the hon. Gentleman mentioned—1 to 3, 11 and 18. We will, however, need to review how those objectives can be achieved. To make any significant changes to the world heritage site boundary, which I think he might have suggested, we would have to submit a new nomination to the UNESCO world heritage committee, which would render our timetable impossible. Much though I would like to help him in that regard, we will not go down that route. I therefore seek a review that focuses on the parts of the plan that need to be changed as a result of the decision that was announced to Parliament on 6 December.

The process of considering those decisions will inform subsequent decisions on making improvements to the environment around the stones and, crucially, on the location of the new visitor centre. We will keep the UNESCO committee fully informed about developments; indeed, we have already written to advise it of our decision, and my hon. Friend the Under-Secretary of State for Transport is to write again. We will report further to the committee at the end of January 2008 and keep it informed as we review the management plan.

Flowing from the revised management plan will be a new planning application and a new environmental statement, which we will publish. Work on that will involve exploring the case for closing the junction between the A303 and the A344, on which we must have a detailed assessment and public consultation. I look forward to co-operating with the hon. Member for Salisbury to ensure that that progresses as smoothly as possible, because on it will depend the need for a public inquiry.

We have wasted no time—we had our first meeting on the second working day after the announcement of 6 December. At this stage, I cannot comment further on all the costs and funding streams, but I am determined that we will have a set of exciting proposals in the shortest possible time. That being the case, I am sure that the Heritage Lottery Fund will be very interested to hear about them, but as the hon. Gentleman knows, decisions on such matters are for the trustees of the fund not for the House or the Government.

We have had a good debate in which I hope we have aired the issue in full. I think that we all share certain concerns and some disappointment regarding the current position. However, I trust that I have made it clear that the Government have a huge commitment as we move into the latest phase of delivering our goal, which must be to provide the right environment for Stonehenge in keeping with its world heritage status. We must do that in the shortest possible time, while adhering to proper procedures and public consultation. I ask all hon. Members for their co-operation throughout that process, and we shall report to the UNESCO committee for its meeting next July.

With those comments, I wish hon. Members a happy and peaceful Christmas. I look forward to pressing ahead with this important work in the new year. There is a lot to be done and it is an enormous privilege for me to be associated with this important piece of work.

3.49 pm

Robert Key: With the leave of the House, Mr. Cummings, may I thank the Minister for the spirit in which she responded to this important debate? I hope she understands that we are aware that she has had to answer for the decision of another Department, which is what caused the rumpus, and that she will have a great deal of cross-party support as she seeks to achieve what she set out today.

I reiterate how important it is that the machinery of government address the issue and resolve the problems facing the Minister. I come back to a point that I referred to earlier: there has been a breakdown in the machinery of government over much more than the past eight or 10 years. Indeed, it is more like 50 years, because it is 50 years since the first schemes were proposed for dealing with the roads around Stonehenge. As well as a disappointment, the current situation is an opportunity, and we should all view it in that spirit. The devil is in the detail, and we must all pledge ourselves—I certainly do—to seeking consensus on the way forward. With that, Mr. Cummings, I thank you for chairing this extremely important debate.

3.50 pm

Sitting suspended.

City of London Police

4 pm

Mr. Mark Field (Cities of London and Westminster) (Con): One of the many historical quirks of my constituency is its policing structure. Whereas Britain as a whole is covered by only 43 local police constabularies, my constituency is served by two. The Westminster part is policed by the Metropolitan Police Service; the other—the famous square mile—is served by the City of London police. That leaves me in a relatively unique position to compare and contrast the workings of a large, lumbering, bureaucratic and, in recent times, politically tainted constabulary with a smaller, localised responsive and accountable force. Is it a coincidence that in my six-and-a-half years in Parliament, I have received not a single complaint about policing issues from any of my City of London constituents? For the fifth successive year, figures confirm that crime in the City has fallen.

In recent years, there has been talk of change in London policing, and ideas about merging the City of London police with the Met have been bandied around. That must not happen. Far from being amalgamated into a bigger organisation, the City of London police should retain its independence, and I would argue that we should not stop there. I believe that the City force needs to be regulated as a template for policing to be emulated across the whole of London, and its model should be rolled out to ensure that all residents of the capital benefit from a responsive, localised and properly accountable police service.

The City force has a unique role. It exists to ensure the safety and security of the City, not just for its 8,000 residents, but for the 300,000 people who arrive each day to work in the square mile and for the many tens of thousands who daily visit iconic sites such as St. Paul's cathedral and the Old Bailey. When Sir Robert Peel, the founder of modern policing in the late 1820s, set up a structure of policing in the capital, almost a quarter of London's population lived in the City; as a result, it was assigned its own police force, which was answerable, as it is today, to the City of London corporation. Meanwhile, the rest of the metropolis was served by a body that finally became the Metropolitan Police Service. The arrival of the steam train led to the emergence of the commuter, and the City of London rapidly depopulated. It is only in the past decade or so that that process has begun to reverse itself.

The very distinctive demographics of the City demand a style of policing that is, in my view, very different from that of any other force. Businesses and residents in the City experience the very best of traditional British policing, alongside a technologically adept force with a wealth of experience in counter-terrorism and financial investigation. The constabulary may cover a small geographical area physically, but it reaches across regional, national and even international borders as a widely recognised leader in policing global business.

I have witnessed at first hand the force's effectiveness at street level. Only a few weeks ago, I joined the City of London's special constabulary on one of its busy Friday night shifts for a patrol of the square mile. The City has about 75 specials, which is 10 per cent. of the total complement. They form a team of dedicated volunteers who, in addition to their normal jobs, help to police the streets. The force has managed to utilise volunteers to make a real difference to policing and to provide an effective and visible presence on the streets. Despite the relatively small size of the specials' team, the variety in their work is probably the best national demonstration of innovative deployment and the use of a special constabulary. Rather than invest money in the relatively powerless paid community support officers, the City prefers to train its volunteers to a high level, providing them with the longest basic training period in the UK and the most intensive tutoring programme to get them to independent patrol status. That alone gives their regular colleagues the confidence to use them in a wide variety of roles, from policing high-security state occasions to cracking down on general street crime.

Friday nights in the square mile have traditionally been quiet affairs, with the working population heading to the west end for after-hours entertainment. One could have argued, therefore, that the City force has an easy job compared with the Met, which regularly deals with alcohol-fuelled disorder, and not just in central London, but that is no longer true. In recent years, a large number of night-time bars and clubs have begun to open their doors within the City of London as well. Joining the specials on their neighbourhood patrol, I witnessed at first hand their quick response, their zero tolerance and their very visible approach to policing. The message that the force wants to send out is clear: "Commit crime in the square mile and you will run into the law." On our patrol, even relatively minor crimes such as cyclists going through red lights, and drunks urinating in the streets or collapsing on the pavement, were followed up. Officers approached each person in a calm and civil manner; there was no aggression, and all those who were approached showed a willingness to co-operate. The specials also displayed and demonstrated incredible enthusiasm for their role. I have to say that the team was well resourced. There was a great spirit of camaraderie, with one volunteer officer telling me that he gets far more out of this part of his work with the City force than he puts in.

The work of the specials feeds into the ward policing system in which constables play a vital role in ensuring that the concerns felt by local businesses and residents about public order and terrorism are fed directly into the force. The community beat officer system gathers local intelligence to ensure that wider policing resources are effectively targeted to local problems, with the ward constable acting as an approachable figure within the community. A notable success of that localised and visible approach to policing has been in the City force's ongoing work with St. Mungo's, the homelessness charity. The police initiatives with St. Mungo's have been especially important since the enlargement of the European Union in May 2004, which led to a large influx of migrants arriving in central London. Many migrants have secured jobs and homes in advance of their arrival, but a significant minority have not. They may choose to sleep on the streets because they lack money, or because they want to avoid spending their wages on the very high rents in the centre of London. Operation Poncho, which began in May, engages with people who are sleeping on the street. It checks their welfare and offers access to support services such as accommodation and alcohol and drugs rehabilitation. Since the start of that initiative,

[Mr. Mark Field]

City of London police officers, in conjunction with their partner organisations and St. Mungo's, have assisted some 400 people with a history of rough sleeping.

It is not just in tackling everyday crime and social disorder that the City force excels. Its economic crime unit has an enviable international reputation and boasts the largest fraud squad in Europe. It is regularly called upon to investigate crimes that arise nationally and internationally, and the high esteem in which the unit is held has clearly assisted in giving people confidence to report many alleged crimes. The City of London police's high degree of experience and expertise in the investigation of white collar crime has led to the Government granting it lead force status for fraud cases across the whole of south-east England. The economic crime unit has recorded exceptionally high detection rates—in the region of 80 per cent.

In late 2005, when the Government announced that they were considering the reconfiguration of police forces with the aim of improving counter-terrorism activity and work against organised crime, there was great disquiet within the business community. There was a strong feeling that the City force had an extremely highly esteemed brand and that interfering with that winning formula could impact negatively upon the continued success of the UK's financial centre.

In addition to its growing domestic role, the City force has also received funding from the Department for International Development for a new dedicated team to investigate allegations of overseas corruption. That international element to its work links into and complements the City's extensive experience of responding to terrorist crime. Having fallen victim to large-scale terrorist attacks in the square mile in the early 1990s, the City is an area that is uniquely prepared to deal with those who target our capital. Responding to the IRA's assaults of that decade, the City invested very heavily in state-of-the-art technology and restructured itself to tackle the major threat from terrorism. On my own tour of duty with the force last month, I was shown the City's control room and was astounded by the quality of technology at its disposal.

The force's network of cameras keeps a close eye on all the crime hotspots and entry points to the square mile. By co-operating with organisations such as the Driver and Vehicle Licensing Agency, the force can identify stolen, uninsured and untaxed vehicles within seconds and stop them before they leave the square mile within the few minutes it takes to communicate with patrol cars on the ground. That heavy investment undoubtedly helped the force's response to the July 2005 attacks by home-grown Islamic terrorists. When those attacks occurred, the City of London police was able to provide resources quickly at the Aldgate site, which is in my constituency, and even attached specialist officers to the Metropolitan Police Service for the subsequent investigations into all four terror attacks. In the following weeks, officers engaged in prolonged tours of duty owing to heightened security levels, but the impact on other criminal activity was minimal. The City's success in that area is proven by the fact that the square mile has continued to prosper as a leading financial centre, despite those ongoing security threats.

The ability of the City of London police seamlessly to co-operate with other forces, such as the Met and the British Transport police, has enriched both its own work and that of its partners. It polices more than 1,300 ceremonial and public order events every year—about five every day—including all the state banquets held at the Guildhall, where the safety and security of visiting Heads of State is in the force's hands. That requires the ability to co-operate with diplomatic protection, security services and traffic controllers. That ability and experience will no doubt be called on when the 2012 Olympics roll into town—an event for which the force is, rightly, already preparing.

Given the importance of the City to a number of the Government's broader objectives, it is regrettable that all police authorities will receive grant floors of only some 2.5 per cent. for each of the next three years, apart from the City of London police. Unfortunately, despite working beyond its boundaries as a trusted, relied upon and frequently utilised resource, the City force is not financially rewarded.

In the light of the current dispute over police pay, I must provide a voice for a force that offers the Government fantastic value for money, in contrast with what has increasingly become a politicised Metropolitan Police Service. At a time when the Met's senior officers are losing the trust and confidence of many Londoners, we witness the disturbing spectacle of the police threatening to renege on their no-strike agreement. I accept that the Police Federation has a legitimate grievance. The no-strike deal is the other side of the coin of the Government being bound by arbitration. Unfortunately, the Government have torn up their side of that deal, but I suspect that many Londoners will not take kindly to the threat of strike action, not least so soon after the Met closed ranks and accepted so little responsibility for the shooting of Jean Charles de Menezes and the systematic cover-up, that followed that catastrophic episode.

Within days of the shooting, I made my position extremely clear about the mendacious way in which various incorrect details were leaked to the press. We have still not had a full apology for that regrettable episode. I am not here to advise the Police Federation, but it should soft-pedal a little, because I suspect that much of the sympathy that the public at large have for the police is skin deep, and if it went ahead with strike action it would be disastrous for what I think is in principle a pretty good case.

I believe that any plans to diminish the independence of the City of London police are unlikely automatically to result in service quality being maintained or improved. Indeed, many of the City's unique resources might be merged into a lumbering bureaucracy, with loss of the ability to react quickly and to co-operate simply. It is not only the City force's independence that we should cherish. I believe that we can learn important lessons from its effective law enforcement, which should be used as a template for policing in the capital and beyond.

I would like the Metropolitan Police Service to be broken up into smaller, more locally accountable, manageable constabularies that properly serve the people of our capital city. In many ways, the spirit of the age has moved away from amalgamation to localised and democratically accountable control. That applies not only within London, but in the context of what I see with my own eyes in my constituency. There is a view in the political arena that we all believe in localism, and in this area it is crucial. Rolling out the City's model of localised and democratically responsible and visible policing will ensure that residents throughout London benefit from the same degree of excellence.

4.15 pm

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): It is a pleasure to serve under your chairmanship, Mr. Cummings. I congratulate the hon. Member for Cities of London and Westminster (Mr. Field) on securing this debate, and on the informed and measured way in which he made his case with clear historical research. I also congratulate him on the time that he spent with the specials, which is something that I have not yet had a chance to do. It sounds as though he had an interesting time, and it is always good for us in the House to get out and see what it is like on the front line.

I agree wholeheartedly with the hon. Gentleman that the support of the City of London police, alongside the Metropolitan police, after the events of July 2005 was very welcome. His constituency and mine share a boundary, and many of my constituents were caught up in the Aldgate bombing. We were grateful for all help on that difficult day and those following.

I take issue with the hon. Gentleman's comments about police community support officers, and will go into that in more detail. It is important to stress that they play a different role from that of special constables, who are volunteers. I am interested in the City's training programme, but police community support officers play a different role and, rightly, were introduced partly because of the plethora of popular neighbourhood wardens on the fringes of my constituency and his. For example, I once counted five different uniformed groups, including the police and neighbourhood wardens. Police and community support officers being trained alongside the police and working properly alongside them are doing very well. They also have the advantage of diversifying the Metropolitan police, particularly because they often provide a source of trainees and recruitment. I have met police community support officers who have gone on to become police constables.

Mr. Field: During my first year in Parliament when my party opposed PCSOs, I made it clear that I was very much in favour of them. The visible activity of PCSOs has had tremendous benefit, particularly in the Westminster part of my constituency. My point was simply that in many ways there is a risk that the emergence of and reliance on more and more PCSOs, especially in London, might be to the detriment of encouraging people to go down the specials route. It would be a shame if that happened.

Meg Hillier: I will perhaps deal with the issues concerning special constables with the hon. Gentleman afterwards rather than waylaying this debate, because I have other points to make in response to him, but he raised some interesting issues.

Another issue that I shall go into in further detail is the model that the City provides and whether it could be a model for the Met. I disagree, and point the hon. Gentleman to what happens in the Westminster half of his constituency. Neighbourhood police teams are local and accountable in my constituency. For example, groups of residents determine on a ward basis some of the priorities for those groups, and there are borough command units. The hon. Gentleman did not suggest that the Met is one large body, but that suggestion would be wrong.

Keeping people and the City safe and secure is an important task that falls to the City of London police, and it performs it very successfully. In 2006-07, 7,973 offences were recorded in the square mile, a fall of nearly 500 from the previous year, and there has been a reduction of more than 20 per cent. since 2002-03. I congratulate everyone involved on those impressive results. One key factor has been special constables, and the hon. Gentleman articulated better than I can some of the lessons that we can learn from that model.

I was interested in the hon. Gentleman's comments on the continuing operational independence of the City of London police, and I can reassure him on one point in particular. When the Government contemplated police force mergers a couple of years ago, no steps were ever taken to change the status of the City's police. It is worth reminding the Chamber that one reason was that we would have needed primary legislation to do so because of its make-up. The Government have since made it absolutely clear that mergers are no longer on the agenda, and I believe—I heard what the hon. Gentleman said—that the City has no desire for change. I can see no prospect of the force merging with any other, or of it losing the operational independence that comes from being a separate entity with its own commissioner, and from reporting to its own police authority in the form of the police committee of the court of common council.

Mr. Field: I thank the Minister for that reassurance. Clearly, the City of London police is concerned not necessarily about the Home Office but, more often, either directly about noises off from senior Metropolitan police officers or, potentially, at least this side of 1 May, about a Mayor of London who might in future look to flex his or her muscles on such issues. However, I take on board what the Minister said, and thank her for that reassurance.

Meg Hillier: Mayors, Metropolitan police chiefs or whoever may flex their muscles, but, in the end, it will be a matter for the Home Office to decide, and I hope that the hon. Gentleman has taken my reassurances on board.

The hon. Gentleman praised the efficient working of the City of London police, which I endorse, but suggested that it compares favourably with its larger neighbour. I take issue with that slightly because the Metropolitan Police Service faces a unique range of challenges and yet it scored two "excellent" ratings in its last police performance assessment, and was deemed to be improving in the resources and efficiency category. When the Metropolitan Police Authority was established in 2000—I was a member of the London assembly at the time—I saw people leaving MPA meetings looking pale at some of the old-fashioned practices under which the Met worked, but we are now seeing improvements come through in those results.

The hon. Gentleman also suggested that the City of London police provide a model that might be emulated in the policing of the rest of London, but it is worth highlighting some of the issues and arrangements within

[Meg Hillier]

the Metropolitan Police Service. I do not agree with the prescription that the Met should be broken into smaller units as per the City of London model. London faces problems, particularly when it comes to more serious crime and the threat of terrorism—which he and I both mentioned—which need to be dealt with on a city-wide basis. It is noticeable that when it comes to the threat of major disorder, even the City of London police, which we agree is a good force, cannot always cope on its own and often must call in assistance from its bigger neighbour, the Met. Were the hon. Gentleman to carry out a detailed study, he might find that the management costs of the City of London police are rather higher than those of the Metropolitan police, which is the price that it pays for being a small independent force. There is nothing for nothing, and the City chooses to sustain that position with Government support.

I agree that any police force must be responsive, localised and properly accountable. Borough command units and local neighbourhood policing mean that we are moving in the right direction on that. Of course, this Government created the MPA to give direct accountability to the Metropolitan police, perhaps having learned something from the City of London police. As I mentioned, safer neighbourhood teams are doing a fantastic job in every ward in London and we are seeing falls in crime. In my constituency, which neighbours the hon. Gentleman's, there have been considerable drops in crime in the past three years, thanks partly to that measure.

Having said that, I expect the City of London police to remain independent, but that it will collaborate across force boundaries when necessary. I am pleased that the City of London police operate seamlessly with the Met and British Transport police to protect the public and businesses in London. Cross-border or pan-London events require such an integrated approach, which tests operational protocols that override territorial boundaries. Planning for major events such as the Olympics or the recent grand départ of the Tour de France in London is carried out on a collaborative basis, and we all benefit from such cross-working. As I mentioned, we have seen good collaborative work on terrorism—the City of London police make a vital and unique contribution to counter-terrorism policing in the capital, which extends far beyond the square mile, and which will play an important role in major events such as the 2012 Olympics.

Fraud and economic crime are key areas of work for the City of London police. The Government have recently provided some of the £28 million of fraud review funds for the financial year 2008-09 to the City of London police. The force deals not only with those issues but some that resonate beyond the City boundaries, such as protecting the integrity and reputation of the world's most important financial centre. As the hon. Gentleman said, the force has carved out a role as a specialist in tackling economic crime, and has a well deserved reputation as a leading authority on it. The Home Office, in partnership with the City of London corporation, has provided additional funding to the City of London police force to enable it to fulfil a lead-force role in the investigation of serious and complex fraud, not only in the square mile but throughout the south-east of England.

I recently met single points of contact on identity fraud who were interested in the work done in the City of London on fraud in general. Those people worked in different public organisations, including police forces up and down the country, and they welcomed the resource available to them on that specialist area.

The additional funding has enabled the City force to increase the size of its economic crime department, and it has been able to take on more cases, including providing assistance to other forces in the south-east to investigate large, complex fraud that falls slightly outside Serious Fraud Office criteria, but which it is nevertheless important to investigate. That frees up officers in the provinces for other work, for which they might be better equipped.

Mr. Field: Given the seamlessness of the relationship, the importance of the City of London police for tackling economic crime in the aftermath of the Proceeds of Crime Act 2002 and the setting up of the Serious Organised Crime Agency, which needs to be worked on, and the importance that the Government and all Londoners attach to the Olympic games, which are only four and a half years away, why does the Home Office not ensure that there is a proper, or at least a comparable, funding arrangement in place for the City of London police, on the basis of the 2.5 per cent. floor that applies in the rest of the country?

Meg Hillier: Given the time, I shall talk about some of the funding issues. We agree that the City is doing important work on a range of issues, for instance, in Operation Halo, the national cheque and credit card database, which links to other forces and the financial services industry. Operation Halo means that intelligence can be collated and analysed quickly and leads to targeted operations against criminals. More recently, Operation Archway, the national centre for gathering intelligence on the notorious boiler room fraud, by which innocent investors are sold worthless shares, is another example of the force's specialism.

It is worth saying, in the time I have available, something on the funding settlement for the next three years, which was announced by my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing on 6 December. The unique status of the City of London police is well demonstrated by the settlement. Like every other force, the City receives a police grant from the Home Office; the House must approve the allocation that the Government will suggest in the new year—the hon. Gentleman will doubtless have the chance to raise his concerns at that time. However, the Government also provide funding to the other 42 forces in England and Wales through the revenue support grant. That provides the floors that ensure that every authority receives a minimum increase in funding. For the three years of the current comprehensive spending review, the floor is 2.5 per cent.

For the City of London police, however, the extra support comes as part of the whole settlement for the City of London corporation to provide services such as education, social services, police, highway maintenance and so on. The corporation is treated as an education authority for the purpose of funding floors. This time, the floor for education authorities is 2 per cent., which is less than the police funding floor. In previous years, the funding floor has been higher for education authorities than for the police, which benefited the corporation. It is a case of swings and roundabouts: some years the corporation does well, but this year it receives slightly less. Clearly, the Government cannot change the City's classification as and when it suits. There have been jam years, but there have also been bread-and-butter years—this year is a bread-and-butter year for policing.

It is for the corporation to decide how to allocate the funding with which it is provided between the services it supports. I have no doubt that the corporation values the service it receives from the City of London police and will provide the appropriate funding. Clearly, making the best use of resources is a requirement for any police force, so I am pleased to congratulate the City on scoring a "performing strongly" rating—the best possible—in the Audit Commission's annual survey of police use of resources.

The City of London police plays an important role. The force will continue as a separate and independent entity, although it will work with partners when required to do so. The force has a well deserved reputation on financial crime and is well equipped to meet the challenges ahead. Forces up and down the country will benefit from its expertise—for example, working alongside the Metropolitan Police Authority in areas in which it has competence. It has been a great pleasure to debate this matter with the hon. Gentleman, and I would be happy to talk further with him on the issue of special constables in the City of London, because there will be matters that we can consider more widely, such as how they are trained and how that might benefit others.

Asylum Seekers

4.30 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): This will be the last debate in Westminster Hall before Parliament rises for the Christmas recess. All over the Palace of Westminster, hon. Members, staff and Officers of the House are getting ready to depart to spend Christmas with their communities and families. It is probably appropriate, as we are in the Christmas season, for the House of Commons to spend just a few minutes debating a group of people for whom there is absolutely no room at the inn—failed asylum seekers.

Let me begin by saying that I bow to no one in my support for the Government's policy of firm but fair immigration control. I do not approach the issue from a theoretical point of view. As my hon. Friend the Minister will know, I am probably in the top 10 of Members of Parliament for dealing with immigration cases. I am supported by an excellent senior caseworker and his devoted team of volunteers. Because I have done so much immigration casework in my 20 years in Parliament, I take very seriously the issues that the Government are trying to deal with. None the less, precisely because failed asylum seekers are so marginal and because there can be no group of people for whom there is less public sympathy, I think that it is important, as a test of the Government's commitment to human rights, to spend a little time examining some of the allegations of abuse of failed asylum seekers during deportation.

I want to draw a number of issues to the attention of Ministers and other hon. Members. The first is the use of private security companies to carry out the work. I do not think that that is appropriate and I believe that there is some relationship between under-trained, underpaid private security personnel and some of the alleged abuses. Another of my concerns relates to the Government targets for forced repatriations. I understand the point of those targets. None the less, a target-driven culture is a culture in which perhaps some of the personnel carrying out the work are inclined to cut corners.

The substantive issues are the allegations of physical abuse, which I will detail later, and the allegations of racist abuse. Ministers will be aware that airlines are very reluctant to be involved in these deportations. One airline, XL Airways, has bowed out of the Home Office contract altogether because it has been so horrified by some of the incidents on its planes. Let me say at the beginning that it is difficult to be specific about the scale of the problems, because it is in the nature of things that many of the people abused will have returned home and are unable to bring complaints against the Home Office. It is also difficult for them to take legal action after assaults, partly because they may have returned home, but also because of the lack of police investigations, an ineffective complaints procedure, the way in which they are treated when they lodge a complaint, and the problems that asylum rights groups have when compiling information. I regret that the recommendations of the Government's own complaints audit committee on this matter have not been implemented.

Jeremy Corbyn (Islington, North) (Lab): I acknowledge what my hon. Friend has just said. Will she concede that it might be helpful if we at least knew the number

[Jeremy Corbyn]

of times that airlines have refused to carry deportees because of concerns on the part of pilots for the safety of the aircraft and all its other passengers? That seems to happen on quite a few occasions.

Ms Abbott: That is an important point, to which I will return at the conclusion of my remarks.

As Ministers will be aware, in 2004 the Medical Foundation for the Care of Victims of Torture prepared a report on allegations of harm by removals staff. In all 14 cases on which it reported, it carried out medical examinations, but it also found that, beyond the 14 cases that it investigated, there were other allegations of harm occurring in detention. As a result of the examination of the 14 cases, the foundation found a pattern of abuse and it highlighted four main issues: the use of inappropriate and unsafe methods of force that carry a higher-than-acceptable injury risk; the use of force even after the removal attempt had been terminated, often out of sight inside escort vehicles; the continued use of force even after the detainee had been restrained, through the use of handcuffs, for instance; and the misuse of handcuffing. The foundation's analysis suggested that gratuitous force was being used. In four of the 14 cases that it considered, the people disclosed that they had been tortured in their country of origin, suggesting that their psychological state would have been affected by that further abuse.

The Medical Foundation's report stated:

> "The methods of restraint or assault described by the detainees include: being dragged along the ground, being kicked or kneed, being punched—including to the head and face, being elbowed, having the thumb forcibly bent back, pressure being applied to the angle of the jaw, pressure exerted on the neck, being sat on…and assault to the genitals."

It raised specific concerns about the misuse of handcuffs, which can lead to nerve damage. There was evidence that physical force was used after handcuffs had been applied, which is considered unnecessary and dangerous. There were also reports of verbal and racial abuse during deportation.

The Medical Foundation recommended that an automatic medical examination should take place of any individual who is the subject of a failed removal attempt. That has not happened. It recommended that, for allegations to be investigated properly, the victim should be allowed to stay in this country to pursue any legal course of action. That has not happened. Most important, it recommended that those involved in the physical removal of failed asylum seekers must receive comprehensive training in the proper use of restraint techniques. That is one of the issues on which I shall press the Minister today.

In 2005, a report by the Campaign Against Racism and Fascism and the National Coalition of Anti-Deportation Campaigns documented 35 cases of abuse during removals that had been referred to solicitors firms. Most of the 35 allegations were against Group 4 and Loss Prevention International—two private companies involved in those removals. The majority of the incidents took place on the way to or at the airport. The injuries included cuts, swellings and bruises, nerve damage from handcuffs, sexual assault, groin damage, cracked shoulders, fractured fingers, psychological problems and serious head injuries. Most recently, campaigners on this issue believe that there may be 200 allegations of abuse.

Let me talk about a particular case, which received some publicity. Beatrice is an asylum seeker from Cameroon who has a history of psychological problems and suicide attempts following the murder of her husband in Cameroon. She was taken from Yarl's Wood detention centre and put on a plane in handcuffs and leg bindings. She alleges that when she complained of feeling unwell, one officer said to her, "If you do not go quietly, we will beat you." Another said, "I'm very sorry, but I have to do it. If we don't bring you to Cameroon, they won't pay us." Her head was forced between her knees and covered with a jacket. An escort clamped his hand over her mouth and kicked her legs. When they arrived in Paris for a stopover, she saw two French policemen and tried to escape, but was tripped over. Two policemen held her down on the floor. As she struggled, she was kneed in the groin so hard that blood poured from between her legs.

During the consequent flight to Cameroon, Beatrice suffered five panic attacks. When the plane arrived, a British policeman who happened to be on the flight, together with two other passengers, reported her to the Cameroonian officials because she seemed so unwell. When asked to walk unaided, she collapsed. She alleges that the escort team attempted to bribe the Cameroonian immigration officials to take her but they refused. She was eventually returned to Heathrow in a wheelchair and immediately taken to Hillingdon hospital, where she was treated for severe genital bleeding and multiple bruising. A psychiatrist said that she was "traumatised by events". In October, an immigration judge ruled against the Home Office and released her on bail.

I would like to think that that was an unusual case and that the officials involved have been disciplined or reprimanded in some way. I would like to hear from Ministers what has happened. Nobody, not even a failed asylum seeker, should be treated in that way. No woman should be treated in that way by people acting for a British Government. It is not necessary and it makes a mockery of our claims to be a country that subscribes to human rights and the various human rights conventions.

The National Coalition of Anti-Deportation Campaigns, along with the organisation Medical Justice, is compiling a dossier of such cases. As I said earlier, they estimate that about 200 cases are known to various asylum rights groups, solicitors groups and visitors groups, and that number is by no means exhaustive. They passed 10 cases to *The Independent* newspaper, which reported on some of them. Three cases have been passed to the Home Office. The Home Office asked to see all 200 cases. However, I would say to Ministers that there are serious problems about passing cases on and the campaign groups involved are unwilling to do so without assurances that the victim's name will not be made public without their consent and that the victims will not come to any harm by the Home Office or its contractors.

Jeremy Corbyn: I thank my hon. Friend for giving us that harrowing account of what happened to one poor lady who was being removed. I am sure that my hon. Friend is aware of it, but is she concerned that, as I understand it, the Home Office and British missions abroad do not follow up what happens to returned asylum seekers who must remain in the country that they have been returned to? Many of them are obviously in enormous danger, particularly if their return is made known to officials at the point of entry.

Ms Abbott: My hon. Friend makes a very important point, which I will return to in my closing remarks.

I was making the point that, although the Home Office has asked for this dossier of 200 cases, there are difficulties in passing these cases on, because the victims are worried that they will come to harm if they report what has happened to them. However, the campaigning groups are trying to get permission from the victims to pass on the cases.

The other issues that the campaigning groups have identified in reporting all these assaults, apart from the victims' fears, are difficulty with investigation, because the relevant CCTV footage would have been wiped; potential witnesses being dispersed; and difficulties in contacting those witnesses. There have been cases where witnesses of these types of assault on planes have been intimidated by removals officers.

Anne Owers, Her Majesty's chief inspector of prisons, has examined detention centres and one of the points that she made in a report last year was that we are dealing with failed asylum seekers

> "as though they were parcels, not people, and as parcels whose contents and destination were sometimes incorrect."

In fact, there are more controls and checks on the removal of livestock from this country than there are on the removal of failed asylum seekers. Earlier, I spoke about the culture of targets and the contracting out of this removal service. Of course, among the problems of contracting out are the lack of accountability and the level of training.

I am afraid that the annual report of the Border and Immigration Agency's complaints audit committee sheds light on the fact that the Home Office is still not dealing with complaints in a systematic or fair way. This afternoon, I would like the Minister to respond to a number of points. First, when will it implement the recommendations of that committee? Secondly, what training do removals officers receive, particularly in safe methods of restraint? Thirdly, what specific targets are given to private companies? For instance, in one of the cases that I spoke about earlier, the officer involved said that staff would not get paid unless they removed the woman to Cameroon. So, what specific targets are private companies given and how do these affect their work? Fourthly, what is the follow-up of failed asylum seekers who are removed to find out what happens to them and whether they are subject to violence? Finally, do Ministers have the figures on how many occasions airlines have refused to take failed asylum seekers because they are concerned about some of the scenes taking place on their planes?

So here we are, on the verge of the Christmas holiday. This is not the most cheerful of subjects and, as I said, it is not a subject that most of the public are too concerned about. However, it seems to me that, in trying to construct an immigration system that is firm and fair, the way that that system treats some of the most vulnerable people in it is important.

Earlier in this Session, I used the opportunity of a debate in Westminster Hall to draw attention to the plight of children in detention. This afternoon, I want to ask the Minister to give the House some assurances that, just because somebody is a failed asylum seeker and they have to be forcibly removed, they will not be subject to abuse, violence and treatment that is unbefitting of a country that is meant to be a beacon of human rights in western Europe.

4.45 pm

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): I congratulate my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott), who is my constituency neighbour, on securing this debate on this very important issue. Also, I welcome her strong support for firm and fair immigration control. I can pay testament to her reputation as a robust and effective constituency MP in dealing with immigration and other matters. Furthermore, because our offices inevitably collaborate on certain issues, I know that she has an excellent team of staff supporting her in her work.

My hon. Friend raises a number of issues and I will do my best to respond to them in as much detail as I can in the time available. She raised issues generally about the allegations of abuse, particularly about private security companies and their work; about targets; about allegations of racist abuse and other abuse; and concerns from the airlines.

I slightly take issue with my hon. Friend's suggestion that the removals are target-driven. Each case to decide whether someone has a right to an asylum claim is dealt with completely on its individual merits. The point at which someone is removed is when they have refused all attempts to require them to leave voluntarily, so they will have gone through the full legal process to determine whether their claim is valid in the first place. At the point at which their claim is refused, they always have the option, at any point, to go voluntarily.

I am sure that, like me, my hon. Friend has people in her surgeries who present themselves and ask for support to return. We have a very good voluntary returns programme. It was criticised in the media over the weekend for being too generous, but it is important to recognise that that programme enables people to leave voluntarily and is cheaper, quicker and affords people more dignity than if they are removed forcibly. It is important that we continue with that voluntary removal programme.

The Prime Minister set a target to remove 4,000 foreign national prisoners this year, but that was a target for foreign national prisoners and I think that we would all agree that we need to remove people who are a danger to the country. If some of those individuals should resist removal, we have a right and a responsibility to tackle their resistance proportionately. We certainly cannot have a situation whereby just because somebody resists removal, they are able to stay. We will always pursue removal of those with no right to be here, but we would encourage them at every step of the way to seek a voluntary removal.

In our last debate in Westminster Hall, my hon. Friend and I discussed the issue of children in detention. I invite her to come and visit the scheme that we have begun just this month whereby we enable children and

[Meg Hillier]

their families to live in a type of hostel environment rather than going into detention, in an attempt to encourage voluntary removal. I am sure that she would be interested to visit that scheme, either alongside me or on her own, or indeed with my hon. Friend the Minister for Borders and Immigration, who is due to visit shortly. She may wish to go along with him on that visit.

It is important in this debate just to outline some of the challenges that are faced in dealing with removals. Clearly, there is going to be a core of people who are not keen to return to their home country and yet they have gone through every legal process and they no longer have a right to remain in the country. For the benefit of the House, I want to outline some of the measures that people resort to physically to resist removals. Such measures can start with passive resistance, but then move on to active fighting. They include refusing to leave the removal centre, refusing to board or leave escort vans, verbally or physically abusing escort staff, taking off clothing, defecating and spitting, and dirty protests in the holding room, on the vehicle to the airport or on the plane. Sadly—although it does not happen too often—parents have occasionally threatened to harm their children if placed on a plane.

Such are the difficult challenges faced by those seeking to remove people. We all agree that they should not use inappropriate force, but they are dealing in many cases with quite difficult situations. My hon. Friend asked how many removals fail because airlines will not carry those being removed. Clearly, some of the protest methods that I listed, such as dirty protests and violence, would make it difficult for an airline to carry someone. Last year, 6 per cent. of removals ended in failure because of an airline's refusal to carry.

There are issues, but we cannot allow someone to remain in the country just because they resist removal, as my hon. Friend will agree. We must ensure that proportionate measures are in place. She asked about training for people assisting removals. All are trained to prison service control and restraint standards as a condition of their employment. It is not a job that any of us, when elected to office, think—

Ms Abbott: I am grateful to my hon. Friend for answering my question about training, but she explain to the House how long that training takes and what it consists of?

Meg Hillier: I shall have to write to my hon. Friend on the precise details, but I am happy to do so. If she ever wants to go along and see how that training works, we could certainly facilitate that. Detention custody officers have a difficult job. It is right to train them properly in that role, and it is right that they should be accountable. Whether or not they work for a private company, they are working for the public and the British Government, and it is important that they should be accountable. As my hon. Friend said, the complaints audit committee recently published a report. We need to deal with complaints systematically and fairly.

To give some background, the complaints audit committee audits the process of removal as well as the Border and Immigration Agency in general. Individuals dissatisfied with service can go to the parliamentary ombudsman. Last year, more than 14,000 complaints were made about service, of which 112 were investigated by the ombudsman. Some 76 per cent. of those, or 85 complaints, were upheld. We have introduced changes to how we handle complaints—particularly in detention, which covers some of the people that my hon. Friend talked about—and improvements to how serious misconduct investigations into enforcement cases are handled. The CAC acknowledges them. We are also working to design a radical new complaints system, which will come online in February next year. Her comments are particularly welcome in that respect, and I promise to keep her updated on how it works once we unveil it in more detail.

Ms Abbott: My hon. Friend will be aware that the complaints audit committee said in the foreword to its report in November that

> "we have become increasingly concerned at the weaknesses of systems and procedures for recording, tracking and managing formal complaints and for quality assuring management information."

That is quite a strong statement, and it was made a month ago. Is she assuring me that the measures that she is describing will address that weakness of systems and procedures for recording, tracking and managing complaints?

Meg Hillier: I am sure that we will see some improvements. I know that my hon. Friend will keep a close eye on the changes coming online from February next year and will, quite rightly, hold the Home Office and Government to account on the issue. I welcome that, because it is important that, as well as being improved, the system is seen to be accountable.

Any individual can register a complaint with the police if they feel that serious misconduct has taken place. I appreciate that the group of people that we are talking about might have difficulty reaching the authorities, especially if they are returned to their country of origin. That is why it is important that we improve the complaints procedure and log any incidents that arise.

Jeremy Corbyn: In a previous debate on the subject, I mentioned the Swedish model in which a caseworker is allocated to each individual asylum case throughout its life. Is that not something that we could think about here? Constant personnel changes often lead to confusion and misunderstandings, and sometimes to the wrong decisions.

Meg Hillier: I am delighted to tell my hon. Friend that only 10 days ago, I met the new case owners of all current asylum cases in the Border and Immigration Agency. Each case owner is assigned a few thousand cases to handle with their team, and will own each case from beginning to end. Each case in his constituency and my own, for example, will have somebody to take it through the whole assessment process. If the claim fails, that person will deal with deportation or voluntary return; if it is successful, they will take the applicant through to support for remaining in the community, ensure that they are established and so on. That will make a marked change.

Like my hon. Friend, I have been frustrated as a constituency MP by the feeling that cases are often passed to completely different individuals, without any continuity. The change, which has been driven through by my hon. Friend the Minister for Borders and Immigration, arose from that frustration. I think that we will begin to see a change. I am happy to say that the cases were allocated last week, a week ahead of time, so the changes should come through our case loads and those of other hon. Members in the new year. I hope that that will make a difference to the individuals concerned, and we will get the continuity that my hon. Friend the Member for Islington, North (Jeremy Corbyn) mentioned.

In the time available, it is best that I concentrate on the points that my hon. Friend the Member for Hackney, North and Stoke Newington raised about the so-called dossier of 200 allegations of abuse printed in *The Independent* on 5 October. The chief executive of the Border and Immigration Agency has requested the dossier from *The Independent*. We do not have it yet, but I am pleased to say that we have made some progress—we were told in early November that it would take about two months to prepare the dossier before it could be provided to the BIA. That is helpful. It is impossible without the full facts to investigate complaints and take the disciplinary action necessary in cases of abuse of position.

I should also point out in relation to police complaints that although 58 allegations were made during the last 14 months that illegal or disproportionate force had been used during removal, the police found that none of those instances had a case to answer, on the basis that the use of force was both legal and proportionate. The BIA and private sector investigations have identified only one case of non-criminal lapses in escort behaviour resulting in minor disciplinary action in the past 14 months. We must get the issue in proportion. It is a challenging task, but we need evidence to take action against people who might be abusing the system. With the dossier of information, we will look into the matter in more detail. It is a shame that it has taken so long. As my hon. Friend rightly said, if we do not have the information to act quickly, things are much more difficult. Witnesses may be dispersed, or other individuals concerned may not consent to make information available.

We must ensure that we have a robust system while recognising the challenges facing us. We are a little disappointed by the failure to produce the dossier at the point of publication. Having been a journalist, I would think that if something might lead to action, it is preferable to print it when it is possible for that information to get results, rather than having to delay for three months from publication, or a quarter of a year, before we can investigate the matter. That is rather a long time.

We cannot discipline people without evidence. We look forward to the evidence, and we will act robustly and swiftly when we have cause to do so. I thank my hon. Friend for securing this debate. As ever, she has highlighted passionately and robustly the concerns shared by many Members. Importantly, she calls the Government to account for actions taken by us or agencies on our behalf. She is right to do so. I look forward to continuing to work with her. I hope that I can continue to provide her with reassurance in the information that I have promised. She is welcome at any point to visit a detention and removal centre, or indeed the Kent project, if she wishes.

Question put and agreed to.

Adjourned accordingly at one minute to Five o'clock.